

MAKING REAL MONEY: LOCAL CURRENCY AND SOCIAL  
ECONOMIES IN THE UNITED STATES

by

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SIGNED: Alan Schussman

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## DEDICATION

I dedicate this to Heather, who has been with me unfailingly through graduate school and now beyond. Let's continue to travel together.

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## ABSTRACT

Local currencies have been founded in dozens of communities around the United States. By printing their own money that can only be used at participating local merchants or service providers, or in direct exchange with community members, advocates of local currencies try to reinvigorate local commerce, demonstrate community opposition to “big box” retailers and globalization, and support local employment. Although many local currencies have been founded, most of them have had only limited success, but even where local currencies fail to thrive, they raise important questions about the ways in which we organize institutions. This dissertation has two key concerns that emerge from those questions, the first of which is to explore the ways in which the meaning of money is reconfigured by the organizers and the users of local currencies. Second, this project seeks to explain the conditions under which local currencies operate, with the goal of building an understanding of how organizations successfully challenge the deeply embedded and institutionalized practices that surround the use of money.

Local currencies are an innovative form of community economic organization that has previously gone under-studied by scholars. This project, the first to address local currencies with a large set of quantitative macro-level data as well as case-oriented archival and survey data, adds to knowledge of movement development and maintenance, and the social construction and use of money. Local currency reminds us that the systems of dollars and cents are socially constructed and that they therefore are changeable. But changing institutions that are part of our everyday life is difficult; because the use of money is so deeply embedded in routines and institutions, it’s difficult to even ask questions about money: Where does money come from? Why do we trust it? And how might alternatives to money work? Local currency reminds us that money is not necessarily as “real” as we tend to think and it invites us to think about the system of institutions in which we live.

## CHAPTER 1

### INTRODUCTION

Since money is nothing but the indifferent means for concrete and infinitely varied purposes, its quantity is the only important determination as far as we are concerned. With reference to money, we do not ask what and how, but how much. (Simmel 1990:259)

Except when we lack it, we tend to think very little about money, at least in any specific sense. We usually think little of what money means, how it is produced, and what consequences its particular characteristics have for us. While these consequences are very real, money, generally, is not. Its value is no longer reinforced by storehouses of gold, the relative worth of national currencies can be set by policy boards rather than volume of imports and exports, and electronic transactions strip money of its materiality. In this way, money is a massively reified object, a thing whose use permeates our lives from the levels of micro-interaction to macro-social organization on national and international stages, the construction of which we generally leave un-explored or misunderstood.

Occasionally money is subject to some debate, usually when nations are young or undergoing significant transformations. At other times, money is temporarily re-configured, as was seen during the Great Depression, when communities across the United States adopted scrip currency that circulated locally and compensated for the shortage of federal dollars. Contemporarily, the value of money is given great attention when we consider issues such as foreign debt or interest rates, but such considerations rarely focus on the meaning of money, explore particular relationships within our economies, or allow for the possibility of alternative systems of money. This persistence of a particular form of money reflects money's extraordinary institutionalization, and suggests the difficulty to be encountered when attempting to transform money.

Money as an object of study and a subject of contention can be considered from several perspectives, so I draw on diverse areas of scholarship in this dissertation. The first of these is the sociology of money, a field of study that has received increased little explicit attention in contemporary sociology. This conceptual understanding of money overlaps with the kind of everyday work done by both activists and international bankers – work that involves collective action framing, organization, and mobilization. Consequently, I integrate ideas from the sociology of money with research in social movements, institutions, and the diffusion of practices.

### Local currency

As a way to enter the world of examined money, the dissertation takes as its empirical object the projects that have emerged around the world to re-make money, for a variety of reasons that include economic stability, environmental preservation, community relationships, and scarcity of external trade. Some forms of local money, such as Bali’s *arayan banjar* (Lietaer 2001) are natural, embedded in culture and community just as strongly as the dollar is in the United States, but stand so separate from national currency as to be startling to observers; others, such as local currencies in the United States, face tremendous obstacles: Because money is both a product of institutions and an institution in itself, reshaping it — whether to accomplish social movement aims or reinvigorate an economy — is difficult.

Local currencies such as “Ithaca Hours” and Greenville, Massachusetts’ “Valley Dollars” have existed in the United States since the early 1990s as efforts to advocate local, community-based trade (Swann and Witt 1995). Essentially, these currencies are printed money issued by a local organization and redeemed for partial or full payment to supporting merchants or other participants outside the retail sector. By circulating money that can only be spent locally, users of these alternative currencies express support for community-based employment, higher wages, and social capital (e.g. Seyfang 2001a, Williams et al. 2001), demonstrate opposition to globalization of trade (e.g. Pacione 1997b, Tibbett 1997), signal community self-reliance (e.g. Purdue et al. 1997), and, according to some advocates, humanize the economics of exchange

(e.g. Dobson 1993). In the years since the initial founding of pioneering local currency projects such as those in Ithaca and Greenville, dozens of similar projects have been founded in other communities around the United States.

Local currencies are in a broader family of progressive economic projects that also includes the revival of barter (Marin and Schnitzer 2002), projects such as “Time Dollars” and Local Exchange Trading Systems (LETS) (Cahn 2000, Boyle 2000a), and general efforts for local economic sustainability and equity (Douthwaite 1996, Raddon 2003). Local currencies are quite distinct from these activities, however. On the one hand, they differ from barter because they preserve the universality of exchange made possible by money systems (Simmel 1990, Dodd 1994), whereas barter requires that each party to an exchange have something of value to the other (Coleman 1990:120). On the other hand, unlike Time Dollar or LETS projects, in which “an individual’s credit/debit balance does not affect their ability to trade” (Pacione 1997b:1182), trade with local currency requires having cash on hand.<sup>1</sup> What makes local currency a particularly interesting case for studying institutions, however, is that it confronts the powerful system of national money.

Local currencies challenge the federal money system in several ways, both in concept and in practice. By being bound to a narrow geographic location, local currencies first serve to demarcate communities as separate social and economic units from the national system. According to Gill Seyfang (2001a:62-3), unlike national currency, local money cannot “leak away;” it “circulates and re-circulates locally, passing from one person or business to another within a locality, multiplying the wealth created, each time it is spent.” Second, as Pacione (1997b) describes, the value of local currency lies solely in the labor or products that it represents, rather than in speculation on its value or on interest.<sup>2</sup> This explicit value has the added effect, as advocate Susan Witt writes, of linking participants “inextricably to a particular place and time” so

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<sup>1</sup>As discussed later, LETS and local currencies do share some important similarities: Both attempt to mobilize household or otherwise non-commodified labor, and both are marked by local geographic boundaries.

<sup>2</sup>Magrit Kennedy (1995) estimates that as much as fifty percent of the costs of Western European goods and services is due to interest; Siemens makes more money through speculation on currency markets than through the actual production of goods or services (Duchrow 1995).

that users “know more fully the story of items purchased ... Such stories, formed from real life experience, work in the imagination to foster responsible consumer choices and re-establish a commitment to the community” (Witt 1998).

Local currency, then, is about both community identity and economic viability. In this sense, the creators of local currency reflect some of the national level unease felt by European nations adopting the Euro (e.g. Cohen 2004, 1998), unease displayed prominently in the summer 2005 defeat of the European Constitution in nations such as France and Belgium. Establishing a local currency is a sharp signal of the attempt to remain — or become — at least partially independent from the homogenizing force of national or international money. Nonetheless, while local currencies challenge some of the functions of national money, they still rely on some of the things that make it work. In particular, although some advocates of local currency reject the effects of national money, they recognize that communities can rarely be fully self-sufficient. In keeping with this, Richard Douthwaite refers to local currencies as being complementary to, not replacements for, national money (Douthwaite 1996). In a very practical sense, advocates of local currency have also found that in generating their own money they must solve many of the same problems that plague national currencies: They must carefully gauge the demand for their currency by tracking spending, and they must prevent counterfeiting by creating notes that are hard to duplicate.<sup>3</sup> Further theoretical consideration of money systems illustrates additional important characteristics of currency.

### Conceptualizing money

As suggested by Cohen’s (2004, 1998) discussions of the European Union and the dollarization of non-American currencies, the use of money as a tool of political, cultural, and geographic differentiation is not new. In his detailed account of the history of national currency Helleiner (2003) argues that while technological advances allowed for the affordable mass-production of coins and bank notes, four key political mo-

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<sup>3</sup>David Boyle (2000a) describes counterfeit safeguard procedures as simple as using papers hand-made from local plants, and hand-signing each note, to the use of high-tech materials like heat-sensitive inks.

tivations spurred the institution of territorial money: first is the desire to create a national market by reducing transaction costs (and *increasing* the costs for international trade); second is the desire to control domestic money supply; third is the desire to implement nationwide taxation and efficient government spending; and fourth is the desire to construct and strengthen national identities.

None of these motivations are distant from those that drive local currency: both are efforts to establish control over domestic (or local) markets and to differentiate the nation or community from the broader world, for a set of economic and political reasons.<sup>4</sup>

As developed in the subsequent chapters, money and the study of work to transform money through the use of local currency promise a number of intriguing possibilities for sociological study. Local currency reminds us that the systems of dollars and cents, buying and selling, are socially constructed, and that they therefore are changeable. But changing institutions that are part of our everyday life is difficult; because the use of money is so deeply embedded in routes and institutions, it's difficult to even ask questions about money: Where does money come from? Why do we trust it? And how might alternatives to money work? Local currency reminds us that money is not necessarily as “real” as we tend to think, and it invites us to think about the system of institutions in which we live.

## Local Currency in the United States

I explore local currency in the United States in order to consider elements of social movements, institutional change, and the sociology of money. The main research questions that guide this project are derived from the history and theoretical discussion that follow this introduction: How is money reshaped by local currency organizers in order to build a (functional or short-lived) local money system? And, how do various factors — city-level conditions, elements of currency projects themselves, and characteristics of project organizers — affect the outcomes of local currency projects? To explore these questions I will draw on both the broad-scale population of local

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<sup>4</sup>See chapter 2 for more detailed discussion.

currency efforts in the U.S., as well as on more detailed case-study data.

Chapter 2 describes local currency in detail, and offers a discussion of early and contemporary local currencies. I situate local currency in a series of economic and historical movements, with parallels both outside of the United States as well as in other efforts at progressive economic reform.

In Chapter 3 I review the theoretical underpinnings of this project, with a more detailed orientation to the sociological study of social movements and the sociology of money: I further tie the above research questions to existing literature and suggest the ways in which this project can contribute to further theoretical contributions in those areas.

In Chapter 4, I describe the data collected and used in this dissertation, and flesh out a description of how local currency programs look and operate in the United States. The three empirically-based chapters that follow draw on this data to inform questions about the process of re-defining money for local purposes, how local currency is operated and organized, and how currency projects are maintained over time. Finally, in Chapter 8, I conclude with suggestions for further research and development of stronger approaches to the sociology of money and institutional change.



## CHAPTER 2

### LOCAL CURRENCY IN FOCUS

In many ways, the history of local currency is the history of money, writ small.

The history and development of money has been explored in detail by numerous scholars, many of whom have recognized the moral, philosophical, and political importance of money. In relatively recent American history, concern over the state's appropriate role in the issuance and management of money preceded the Revolutionary War as a matter of both economics and politics (e.g. Galbraith 1995 [1975], Dunn 1998). Dewey (1912), for example, describes how the ban by Parliament of colony-issued currency pleased some — who sought to avoid the hassle of managing overlapping or incompatible local scrip monies — but also sparked a rise in regional banking that would eventually prompt Parliament to act again to shut down colonial banks. Following the Revolutionary War, itself funded by the Continental scrip that would quickly become worthless, the production of money became a key issue in the drafting of the U.S. Constitution. Reviewing this debate, Cohen-Mitchell (1998) writes:

Debates within Congress about paper money were vociferous. Thomas Jefferson and his camp argued that regions should retain the rights of issuance, in part to avoid the abuse that might ensue if the federal government came to control this key instrument of economic power. Alexander Hamilton, on the other hand, was flatly opposed to paper money on principle, citing the long history of fraud and abuse on the part of its regional and local issuers that had often left citizens holding a plethora of worthless currencies. Hamilton's proved the more persuasive voice and the Constitution forbade states to "coin Money," to "emit Bills of Credit," and to "make any Thing but gold and silver Coin a Tender in Payment of

Debts.” The U.S. Constitution also grants to the U.S. Congress the powers “to borrow Money on the credit of United States,” “to coin Money, regulate the Value thereof, fix the Standard of Weights and Measures,” and “to provide for the Punishment of counterfeiting the Securities and current Coin of United States.”

Importantly, the Constitution’s focus on coinage as the money of the nation would leave legal room for all of the scrip currencies of the depression, the money coupons issued in company towns, and contemporary local currency efforts (e.g. Solomon 1996).

Debate over money would continue, of course, and Carruthers and Babb (1996) provide an overview of one of these important episodes. Before the Civil War, money was supported by de facto backing in gold (Nugent 1968) and issued in the form of paper currency by a great variety of state banks. The Civil War prompted a run on gold, and banks consequently halted what previously had been the standard practice of converting scrip to gold on demand (Myers 1970, Hammond 1970). To fund the war, the Treasury issued greenbacks, “inconvertible paper money that was by law legal tender” (Carruthers and Babb 1996:1561). Greenbacks saw the North through the Civil War, but prompted resonant debate after the war’s conclusion, when bullionists and greenbackers would battle over what to do with the \$450 million in currency and dramatically increased national debt. As Carruthers and Babb (1996) write, lines in the debate were largely drawn in accordance with economic interests: Bankers and financiers tended to support the “hard money” position, while farmers, agrarians, and nascent Populists backed “soft money.” The authors note that while these economic-centered interests are understandable — they note prior histories on this topic by Goodwyn (1978), Unger (1964) and Sharkey (1959) as speaking to this relationship — they also argue that “these debates played out a conflict that went beyond vested interest since they embodied conflicting conceptions of both money and the economy, and the role democratic government should have in the capitalist market” (Carruthers and Babb 1996:1566). Indeed, they argue, the core of the bullionist-greenbackers debate was the extent to which money might be understood as socially-constructed:

whether money should have intrinsic “natural” value (rooted in the gold and silver that backs it) or could simply represent a measure of value vested by trust and faith in the issuer.

Resolving questions such as those clearly has effect beyond commerce and debt. Contemporarily, Cohen (2004, 1998) elaborates on this process at the international level, exploring the European Union and the dollarization of non-American currencies, and the use of money as a tool of political, cultural, and geographic differentiation. Additionally, both Helleiner (2003) and Gilbert and Helleiner (1999) link the technical capacity to produce money to both state development and the emergence of industrial capitalism. Moreover, they note, a perspective emerged that saw money as a way for citizens to claim economic and political benefits from government; this perspective of money was quite different from the dominant desire for money simply to facilitate reliable markets. Interestingly, the same depression that saw the widespread emergence of community-based scrip currency also worked to strengthen the bonds between national money, the state, and citizens:

This alternative monetary vision finally came to fruition on a large scale initially during the 1930s when industrial capitalism appeared close to collapse and then in a more systematic way after the Second World War with the triumph of Keynesian economics. To a greater extent than ever before in history, the state came to harness money as a way of linking itself to the inhabitants of the territory it governed. And this benefit became a central concern of the newly independent countries after the Second World War who sought to create national currencies. National currencies were seen as a key tool for their project of managing the national economy to promote rapid industrial growth and development. (Gilbert and Helleiner 1999:7)

As noted earlier, local and complementary currencies are not a new phenomenon in the United States, nor throughout the world. The predecessors of contemporary local currency projects were frequently utilitarian in nature: During the Civil War,

for example, gold and silver coins disappeared from many American streets — pulled from local banks to finance the war — and communities such as Rochester, New York, issued printed currency to fill the gap until minted coins re-appeared (see Figure 2.1). Later, local currencies were used to prop up communities devastated by depression, both in the U.S. and abroad. In Worgl, Austria, in 1932, deflation left money in short supply. Locally-issued stamp scrip gave citizens new means to engage in trade, and strong incentive to do so, because the scrip was only usable within a certain period of time (Helleiner 2003, Lietaer 2001); and the German state of Oldenburg issued elaborate regional scrip in 1921 (see Figure 2.2). In the U.S. a writer in a volume of the *American Labor Review* (Anonymous 1933) describes in detail how Ohio’s “Yellow Springs Exchange” implemented a regional system of scrip currency in 1933. More broadly, stamp scrip issued by American municipalities or states caught on so quickly that by early 1933 as many one million Americans were using scrip in their communities (Helleiner 2003:159).

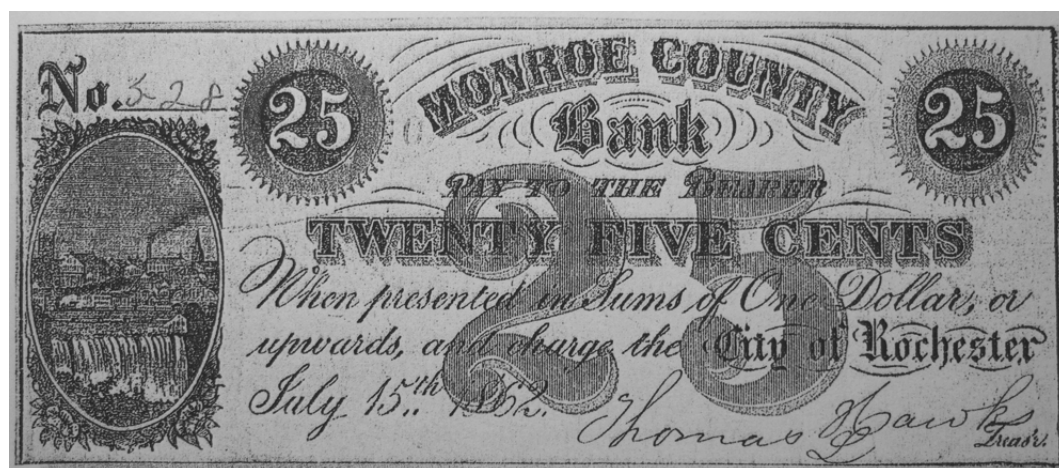


Figure 2.1: Monroe County-issued scrip currency

Although many early local currency implementations were in part utilitarian – stopgaps in a temporary shortage of federal money, for example – they did also reflect the social power of currency. For example, money could be used for social control, as in company-owned mining where paying employees in company scrip ensured that workers’ paychecks would be redeemed at the town’s own (company-owned) general



Figure 2.2: Oldenburg, Germany, currency of 1921

stores and banks (e.g. Allen 1966, Carlson 2003). <sup>1</sup>

### Contemporary local currency

What the history of territorial money and the precedents for local currency each confirm is the potential for money to be both manipulated in the service of as well as stand symbolic of, numerous processes. market and nation formation, identity, and personal sentiment. In this sense, the story of contemporary local currency is remarkably similar to that of territorial money. Both are efforts to establish control over markets and to differentiate the nation or community from the broader world, for a set of economic and political reasons. These motivations are quite in line — though translated to the the community level — with the four arguments

<sup>1</sup>Carlson does note that not all company towns used money as a tool for social control. Some that issued local scrip provided for its easy conversion to the dollar to allow workers to send money home. Paternalism was the mark of the camp, however. Prosperity was at the discretion of the company, and a “job in a company town was more than employment, it was a way of life—the boss’s way” (Carlson 2003:198).

made by Helleiner (2003) to explain the emergence of territorial currency: first is the desire to create a national market by reducing transaction costs (and increasing the costs for international trade); second is the desire to control domestic money supply; third is the desire to implement nationwide taxation and efficient government spending; and fourth is the desire to construct and strengthen national identities. Indeed, as Helleiner observes elsewhere, “local currencies are meant to promote a more localized sense of economic space, the capacity of local communities to manage money actively to serve political goals, and a more communitarian sense of identity” (Helleiner 2000:37). As described in detail in later discussions of organizer surveys conducted as part of this dissertation, the specific goals driving local currency participants vary widely. While Helleiner (2000) identifies local currencies with specific goals of the green movement, others suggest multiple political and social motivations not strictly tied to the green movement. Raddon (2000) focuses on gender, for example, while Williams (2001) identifies the job-creation possibilities of LETS programs, and Seyfang (2002b) focuses on comparative development and inclusion of marginalized community members.

Nonetheless, two elements of local currency are significantly similar across projects: Instead of a temporary solution to a lack of money supply, as they were in the 1930s, local currencies now are identified as “part of a sustained transnational movement that explicitly aims to challenge territorial currencies and use more ‘localist’ monetary structures as a tool for permanent social change” (Helleiner 2003:222). The second common thread reflects some liability: by comparison, the markets, practices, and fields of organizations that have formed around national currency are far stronger than they once were, and far fewer people are using alternative currency than were doing so in 1933. So, while the nature of the challenge posed by local currency is different, so too is the institutional climate in which money is used.

To test this institutional climate, Ralph Borsodi experimented with a local currency he called the “Constant.” The Constant was launched in Exeter, New Hampshire in 1972 and was sold to buyers through a local bank. Borsodi and Robert Swann (the latter of whom would later be a co-founder of the E. F. Schumacher Society)



backed the Constant nominally with a set of 30 commodities that Borsodi had tracked over a number of years, including barley, soy beans, and gold. The Constant gained popularity in Exter, but the experiment was only carried out for one year. Nonetheless, Borsodi was satisfied, and argued that the Constant represented proof that shoppers and markets could be persuaded to use a monetary system other than the federal one (Swann and Witt 1995). Later, Robert Swann would launch another experimental currency in the region, based on the value of a commodity that he believed could literally be regionally contained: the Berk-Share (for Self-Help Association for a Regional Economy; see Figure 2.3) notes were backed by locally-produced cordwood, but as Cohen-Mitchell (1998:20) describes, “the price of cordwood experienced wide fluctuations in tandem with the price of domestic heating fuel (caused by the second oil crisis in 1979), a product whose price is set outside the community. The Berk-Share thus ended up being even more vulnerable to external economic fluctuations than it would have been had it tied itself to the U.S. dollar.”



Figure 2.3: The Berk-Share Cordwood note

The problems of the Berk-Share and the short duration of the Constant experiment are indicative of some of the difficulties facing local currencies, as I discuss in detail later. What these efforts did serve to do, however, was anchor much of the money-related movement that would follow them. The E. F. Schumacher Society — an early

source of advocacy for land trusts, community economic development, and socially-responsible investing, formed at the behest of Schumacher and designed to implement his ideas espoused in his *Small is Beautiful* (Schumacher 1975) — was co-founded by Robert Swann in 1980, and would become a central node in the network of local currency projects and community economics around the country as well as around the world. Indeed, the Society was critical in the launching of the contemporary local currency movement. The Society’s Susan Witt (Witt 1998) describes how an effort at self-financing kick-started a burgeoning movement:

It started in 1989 when Frank Tortoriello, the owner of a popular restaurant in the southern Berkshires of Massachusetts, was rejected for a bank loan to finance a move to a new location. In a small community word spreads quickly. All of us at the E.F. Schumacher Society office frequented The Deli. We recognized that Frank had a committed clientele who could afford to take a risk to keep the cherished luncheon spot in business. So, we suggested that Frank issue “Deli Dollars” as a self-financing technique. . . . Frank sold ten-dollar notes for eight dollars and in 30 days had raised \$5,000. Over the next year, Frank repaid the loan, in sandwiches and soup, rather than hard-to-come-by federal dollars.

The successful Deli Dollars experiment prompted other such efforts in the region, such as the Farm Preserve Note (see Figure 2.4): Reading “In Farms We Trust,” the Farm Preserve Note was created to help two regional farms weather financial down-turns, such as brought on by the winter’s high greenhouse heating costs. The success of Deli Dollars and Farm Preserve Notes was significant enough that the local Chamber of Commerce partnered with the E. F. Schumacher Society to issue “Berk-Shares” to promote local businesses. In this promotion, “[c]ustomers were given one Berk-Share for every ten dollars spent in a participating business over the six-week summer period. During a three-day redemption period customers could spend their Berk-Shares just like dollars in any of the seventy participating stores” (Swann and Witt 1995). Over that redemption period, nearly three hundred thousand dollars’



worth of local money was exchanged, marking a significant success for the efforts of both local merchants and community members.



Figure 2.4: The Deli Dollar and Farm Preserve Note

Inspired by these projects, Paul Glover, an Ithaca, New York, “social entrepreneur” (Shepperd 2003) began to develop a slightly different model for local currency. He envisioned a town-wide currency, issued by the community instead of by specific businesses, that could bring new dollars and purchasing power by “con-

necting people with those who need their skills and products” (Boyle 2000a:109). Glover convinced 90 local friends and tradespeople to sign up for his fledgling money project, and launched local currency in Ithaca with the publication of the *Ithaca Money* newsletter in late 1991.<sup>2</sup> In that first issue, Glover outlined several complete goals for the program: Creating new jobs and new sources of income; recycling waste locally; finding new customers; creating interest-free credit; protecting savings from inflation; and insulating Ithaca from the variance in broader economic trends (Boyle 2000a:109).

Glover worked relentlessly to promote Ithaca HOURS — so named to reflect the value of goods and services that comes from time spent working, the HOUR began with a value equivalent to \$10 — and the currency is far and away the most successful of its type in the United States. The HOUR has funded small-scale local commerce — accepted and paid at the grocery store co-op; useful at the the movie theater, restaraunts, and other businesses; and used in exchange between neighbors and friends for work that would otherwise go unpaid. Glover himself pays his own rent in Ithaca HOURS, saying “I can pay for about 95 percent of what I need with them” (Douthwaite 1996:82).<sup>3</sup> But the Ithaca HOUR has also funded larger projects: the local credit union was built partly on HOURS and accepts partial payment on loans in local currency, and Glover has used the same principles that founded the Ithaca HOUR to launch a fund that would provide health care in the community (Witt 1998, Jacob et al. 2004a). By virtue of its founding position and success, the Ithaca HOUR has been the model for most similar local currencies in the U.S., with Glover offering a “Hometown Money Starter Kit” to interested movement entrepreneurs.

In the years since the founding of the Ithaca HOUR, local currencies have been explored as community- and economy-building tools in dozens of U.S. cities (see Chapter 4 for more specific discussion of data on U.S. currencies). As noted earlier, these currencies are not easily cast into a single ideological mold or overall ambition, and likeminded efforts are not at all limited to scrip currencies. Extensive attention

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<sup>2</sup>The newsletter would later be renamed *HOUR Town*.

<sup>3</sup>The “other five percent” is not insignificant: Glover was able to draw on a Volunteers in Service to America (VISTA) grant to work toward the institutionalization of the HOUR (Jacob et al. 2004a).

has been paid to two additional complementary currencies. First are Local Exchange Trading Systems (Aldridge et al. 2001, Williams et al. 2001, Seyfang 2001b, Fitzpatrick and Caldwell 2001, Williams 1996b, Seyfang 1999, 2002a, Pacione 1997a,b, North 1998), or LETS, which function primarily as labor exchanges. LETS generally keep centralized accounts of credit and debit rather than issue scrip, though not exclusively (Seyfang 2006a). Like scrip currency, LETS systems offer no interest on an account balance, encouraging holders to *use*, rather than bank, their holdings (Croall 1997).

LETS have also received consideration by some governments, particularly in the U.K., where they have been explored — and found successful, in some cases — as ways to provide effective welfare systems, promote work, and develop useful new social networks (Aldridge et al. 2001, Williams et al. 2001, Seyfang 2001b). Indeed, LETS participation in the U.K. is substantial: Williams et al. (2001) find over 300 LETS programs, with 22,000 participants and an annual exchange of 4.1 million.

The second common alternative is the Time Dollar or Time Bank (Cahn 2000, Boyle 2000a, Seyfang 2002b); while the Time Bank is marked by some of the Do-It-Yourself ethos of “alternative” currencies, it is also an attempt to work beyond the “green niche” limitations of LETS systems by conscientiously incorporating professionals and more institutionalized services (Seyfang 2002a). Tracking time banks in the U.K., Seyfang (2002b) finds over 2,000 participants in 36 active programs, with almost 64,000 hours of labor exchanged. Because their metaphor of value is generally rooted in time more specifically than scrip currencies, both Time Banks and LETS are more assertive about creating a “flat” value of labor, and are frequently cited as encouraging unpaid, community-building labor to be recognized as important and valuable (e.g. Seyfang 2006b, Cahn 2000).

A number of authors have studied or written about scrip currencies directly, both in the U.S. and abroad. Much of this research is case study-oriented and emerges from close association with currency programs: Jacob et al. (2004a,b) for example, consider Ithaca HOURS in detail, and review some of founder Paul Glover’s history. Jacob et al. (2004b) find further that although Ithaca HOURS does have genuine utility for

both merchants and shoppers — it serves to structure some of the shopping habits of its users, for example — it makes up a tiny portion of their overall economic activity. The report suggests, instead, that

[Ithaca HOURS] nevertheless carry a symbolic value far beyond even their economic potential. They represent both a celebration of the virtues of a self-reliant local economy and a resistance to the dehumanizing effects of the global economy. An inquiring survey researcher would be hard pressed to discover Ithaca residents unaware of their local currency and who did not at least implicitly acknowledge that HOURS stand for the protection and enhancement of the quality of their community life. It is arguably here, in the symbolic realm rather than in the material world of goods and services, that Ithaca HOURS make their lasting contribution. (Jacob et al. 2004b:55)

A detailed case study of local currency in Burlington, Vermont, combined with an overview of multiple currency programs internationally, outlines some of the strengths and weaknesses of local currencies (Costanza et al. 2003). One interesting suggestion made by the authors is that currency systems that use paper money find more ready acceptance than those based on credit. This echoes what seems to be a persistently troubling element of script currencies, in that money is a familiar, easily-mobilized concept for exchange, but this easy conceptual understanding comes with a disadvantage: why change what works?<sup>4</sup> The authors suggest that participation by core institutions within a community is a particularly steep — but important — hurdle for local currencies, and formal, professional organization is critical for currency success.

Other discussions of local currencies note their nature either as 1) responses to economic needs or 2) specialized forms of exchange embedded as deeply into community culture as is national currency. The former case is exemplified by Argentina’s “Credits” currency, itself a part of a larger “Global Network of Multi-Reciprocal Ex-

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<sup>4</sup>In this, local currency fits well with Rogers’ (2003) assertion that innovations should be “compatible” with existing tools and technologies. But as described subsequently, local currency generally fails to meet Rogers’ burden of having a relative advantage over existing options.

change Clubs” (Seyfang and Pearson 2000:58) that originated first as a barter club but later expanded to a more generalized, inter-regional system of exchange with nearly a quarter of a million members in 2000 and perhaps a billion dollars’ worth of transactions (DeMeulenaere 2000; Primavera 2000, cited in Seyfang and Pearson 2000). By 2001 and 2002, ongoing economic crisis propelled the system’s growth further (Pearson 2003). The latter is exemplified in discussions such as that of Balinese local currencies (Lietaer 2001) that are tightly integrated into community routines, and where national currency is left primarily for “export” activities.

Unlike the currencies noted above, most contemporary local scrip currencies that emerge within industrial economies are, as Helleiner (2000) notes, conscientious tools of social change, employed to generate (literal) social capital, oppose globalization, advocate local businesses over Big Box stores, and generate new (self-)employment opportunities for community members. And while LETS systems have seen some systematic evaluations and policy-oriented study, perhaps because of their more successful proliferation (e.g. Williams et al. 2001), scrip currencies, especially in the U.S., have been relatively under-explored. To be sure, they have been described and theorized extensively either on their own or as part of a do-it-yourself or “going local” social movement (e.g. Shuman 1998, Sargisson 2001, Purdue et al. 1997);<sup>5</sup> and local currencies have been approached theoretically and academically (e.g. Evans 2004, Zelizer 2005, North 1998). Collom (2005) is further noteworthy for attempting a larger-scale survey of U.S. scrip currencies,<sup>6</sup> but large-scale exploration of scrip currencies has certainly been the exception rather than the rule.

### Other types of community economics

To flesh out the diversity of community economics a little further, several additional models are also worth noting. One of the most prominent of these is micro-lending (Yunus 2003) for which Muhammed Yunis shared the Nobel Prize in 2006. Micro-

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<sup>5</sup>See Chapter 5 for an extensive consideration of the work done *by* currency programs to promote local currency.

<sup>6</sup>Collom’s study is discussed further in Chapter 7, in consideration of data and analysis of U.S. currencies.

lending is the practice of making small loans, often just tens or hundreds of dollars, to (usually) self-employed workers, with a relatively short period of repayment and no requirement for collateral. Institutions such as the Grameen Bank and FINCA International serve tens of millions of clients and have grown dramatically both in absolute magnitude as well as proportion of clients who live below their nations' poverty lines (Daley-Harris 2004:Table 2) — a measure which is critical for organizations that advocate micro-lending as a remedy for extreme poverty. Micro-lending has received increasing attention from activist, NGO, and research circles. The United Nations, for example, declared 2005 to be a year of international focus on microfinance; for a thorough review of academic and institutional interest in micro-lending, see Morduch (1999), and Kaplan (2000) and Biggart (2001) on specific research applications for micro-lending. Large financiers have shown an interest in micro-lending as well, identifying it as a potentially innovative — and lucrative — private/public collaboration (*The Economist* 1997), albeit one whose profitability remains hard to assess in some situations (Armendáriz and Morduch 2005).

Community-supported agriculture (CSA) efforts are less about economic development — though they are attentive to it — than about localism (Shuman 1998). CSAs are born from some of the same urges that prompt local currencies, and contribute to the growing “Local First” movement found in many communities. (The Business Alliance for Local Living Communities<sup>7</sup> tracks many such organizations and currently lists 36 across the United States.) In this sense, CSAs are tightly tied to local currencies' objective of recirculating money locally, as opposed to exporting it — and community control along with it — to distant boardrooms. CSAs are premised on community members contracting with local food producers for shares of their product, and paying those producers ahead of time, in a process reminiscent of the Berkshires' Farm Preserve Notes. CSAs have been explored as counter-measures to industrial agriculture (Cone and Myhre 2000), lower-cost food supplies (Cooley and Lass 1998), and as tools for building community (Hinrichs 2000, Hinrichs and Kremer 2002, Wells et al. 1999).

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<sup>7</sup><http://www.livingeconomies.org/>

Finally, the tradition of rotating credit associations, particularly among immigrant ethnic communities in the United States, is noteworthy. As Light (1994) describes them, variations on such associations were used by Asian, African, and Caribbean immigrants to accumulate resources that would benefit contributors and community members. Members of rotating credit associations pledge to contribute some amount to the group's pool of money on a regular basis, and the beneficiary of that pooled money rotates through the contributors. As Light describes, rotating credit associations were used to build families' savings, buy property, and start family businesses. According to Light, these associations were important in plotting successful economic paths for many immigrant groups. In fact, Light argues that immigrants who held on to the tradition of rotating credit had credit more readily available to them than many of their children, who sought credit from banks and other financial institutions, but who, out of economic disadvantage or outright discrimination, could not obtain it. The lessons of rotating credit therefore should be instructive to local currencies proponents' efforts to fund community businesses and generate new models for lending.

## CHAPTER 3

### THEORETICAL DISCUSSION

This dissertation deals primarily with local currency as it relates to social movements. In this chapter, I review relevant movement literature in mobilization, movement outcomes, and organization. I also consider local currency's implications for money and institutions, and examine the limited set of existing scholarship on local currencies.

#### Social movements

Local currency advocates, whether they are moved by perceived injustices in the distribution and management of economies, or are motivated to strengthen community ties, are engaged in a project of organizing and mobilizing. Despite variety in motivation, efforts to build local currency are at their center, movements for social change. In some ways, these goals and tactics are quite amenable to existing accounts of movements; in other ways, those explanations fail to illuminate certain aspects of local currency and its implementation.

As has been described earlier, local currency projects have several important elements. These elements of organizing, framing, and mobilizing provide entry points for considering local currency through the lens of current scholarly perspectives on social movements and activism.

A great deal of local currency work takes place at the level of framing (Snow et al. 1986, Snow and Benford 1988), which is the process of meaning-making with the intent to create collective mobilization. The notion of framing emerges to describe what had been lacking in prior theories of mobilization, namely the process of shaping and then converting sentiment effectively into action. This may involve either mobilizing those already predisposed to action or changing the minds of those who are not. As articulated by Snow and Benford (1988), framing requires the identification of



a problem as having an achievable solution, and then providing a “vocabulary of motives” that make collective action oriented toward that solution not only possible, but necessary. That vocabulary needs further to have resonance with actors’ existing schemas, a breadth beyond the immediate action that allows it to have meaning to larger experience and understandings. Resonance is an elaboration of the “frame alignment process” (Snow et al. 1986), which ties framing to the process (familiar to resource mobilization) of linking social movement organizations to unmobilized pools of potential activists, “such that some set of individual interests, values and beliefs and SMO activities, goals, and ideology are congruent and complementary” (1988:464).

As discussed further with regard to the process of re-making the meaning of money (Chapter 5), local currencies face significant problems of framing and meaning. To the extent that the use of local currency is at once a familiar process, but one marshalled for goals of social or community change, the burden of local currency’s vocabulary of motive seems especially heavy. Rooted as it is in mobilizing extrainstitutional activity to achieve goals of change, framing may have little to say to the process of acting conventionally to achieve unconventional purposes. Framing does, however, suggest some expectations about the life course of the local currency movement. Framing is understood by Snow and Benford (1988) to be temporally-contingent; consequently, later mobilization efforts may be significantly shaped by the “master frames” that precede them, yet the effectiveness of any particular frame depends on factors external to it, such that different constituencies will respond differently to framing, and the outcomes of movement efforts will be affected correspondingly. Differentiating the effects of external conditions from those of internal shaping of meaning is one objective of this project.

Movement scholars agree that mobilizing structures are critical for social change efforts, but there is debate over the operation of those structures. In one of the few specifically-sociological approaches to local currency, Collom (2005) attempts to operationalize resource mobilization-related variables such as income in order to explain local currency presence. While his analysis is problematic (see chapter 7 for more

discussion of Collom's work and my own effort to improve on his analysis), his discussion of resource mobilization is relevant for local currency, and in fact speaks in some ways to the same issues of "favorable climate" that, for example, Schneiberg (2002) works with. Resource mobilization (McCarthy and Zald 1977, Jenkins 1983) identifies successful movement activity as emerging from specific sets of constituents and benefactors, organizational capabilities and resources (e.g. Cress and Snow 1996), and professional movement leaders (e.g. Staggenborg 1988). Resource mobilization emerged as a corrective to the grievance-based formulations of movements that dominated earlier considerations of movements and depicted movement activity as a departure from organized orderly behavior (e.g. Smelser 1963). By arguing that grievances alone could not motivate change-oriented action, McCarthy and Zald shifted the focus to organizations and organizations' abilities to provide incentives for people to act collectively.

Another relevant aspect of movement theory is that of political opportunity structure, which, as articulated by Tarrow (1998:18), argues that movements' abilities to foster change rests in "consistent – but not necessarily formal, permanent, or national – dimensions of the political environment which either encourage or discourage people from using collective action." These opportunities may rest in elite allies or other openings to change efforts, such as political transitions that allow for increased outsider involvement. By drawing on established repertoires of contention (Tilly 1978) and from existing pools of organized resources (Morris 1981), activists are prepared to exploit these opportunities when they arise. Both resource mobilization and political opportunity structure suggest similar mechanisms for local currency projects to rise and fall: a combination of organizational resources as well as community factors seem likely to play a role in the outcomes of local currencies.

In sharp contrast to resource mobilization-based approaches that identify social movements with professional staffs, conscience constituents who provide funding but not action (often referred to as "paper members"), local currencies depend on a broad set of participants who engage in locally-oriented trade repeatedly and regularly, but whose activist orientation may vary a great deal. As suggested earlier,

for instance, local currencies support anti-globalization, do-it-yourself ethics, and local commerce; participants may take part for any or none of these reasons. This kind of activity seems congruent with what has been suggested by Mayer Zald to be “ideologically-structured action,” or ISA (Zald 2000), a variety of social movement participation that is markedly different from most taken-for-granted definitions of social protest. In particular, part of Zald’s argument is that a research focus on visibly contentious activity such as marches, boycotts, and sit-ins, for example, obscures important movement-related activity. Attention to activities that are neither disruptive nor facilitated directly by social movement organizations (e.g. Zavestoski 2003) expands both the scope of study but also the participant base of movements; such tactics require less commitment to public challenge than more “dangerous” activities such as protest marches, and they allow for a broader set of activist identities. Ideologically-structured action is not, however, a problem-free proposition, according to critics such as Klandermans (2000). Klandermans argues that making ideologically structured action the defining characteristic of movement activity makes for an overly-broad definition, asking:

First, is it appropriate to exclude contention as a defining characteristic of movement behavior? Second, is it appropriate to turn all kinds of ideologically structured action into movement behavior? For some people the choice of a partner or a job is ideologically structured (McAdam 1989). For others voting is ideologically structured behavior. But I doubt these are movement behaviors. (Klandermans 2000:26)

Klandermans’ argument is a reasonable one: by broadening the definition of what “counts” as a movement, scholars may risk losing explanatory power over the phenomenon. At the same time, there are important characteristics of activity embedded in institutions or institutionalized behavior that are amenable to movement-oriented analysis (Minkoff 2002): these behaviors may indeed contribute to movement outcomes and they may challenge in valuable ways out conceptions of how people act collectively. Further, in a so-called “social movement society” (Meyer and Tarrow

1998) in which the language and repertoires of protest have been taken up in increasingly institutional situations, attention to the ideologies that underlie action does seem quite appropriate.

From the perspective of social movements, local currencies present an opportunity to address some of the questions emerging from Zald's formulation of ideologically structured action. The perspective of ideologically structured action explicitly broadens the range of experiences and ideas that may precede participation in social movements. Whereas much scholarly work in social movements emphasizes prior activist experience as a key predictor of both movement leadership (Pakulski 1986, Marullo 1988) as well as general participation (McAdam 1988), local currencies' potential for heterogeneous motivations as well as their embeddedness in local communities seem likely to allow for a very broad set of prior experiences or activist identity to shape participation. Consequently, this project uses survey methods to explore in detail the question of how local currency organizers emerge and work to mobilize active participation.

Substantively, local currencies present a further opportunity, to study relatively underexplored questions of consumption-related movements. Extant work in this area of research includes Thompson's (2003) work on identity and alternative medicine, Chesler's (1991) study of consumer activism in health care, and Herrmann's (1991) study of consumer movement organizations. These works suggest that consumer activism is an important movement-related phenomenon, and additional studies of community bookstores (Miller 1999) and co-ops (Sommer 1984) demonstrate how consumer movements may lend themselves to particular institutions. Moreover, these are movements that take place partly at the level of day-to-day interaction and routine, further promoting the importance of considering new ways of participating in movements and new conceptualizations of what constitutes movement behavior.

Local currencies may be strongly identified with certain local institutions (Boyle [2000a] describes the extensive use of local currency in an Ithaca co-op, for example), but because they can be used at any participating merchant, local currencies are not necessarily limited to any particular shop. In other words, because they replace the

technology of trade, local currencies engender exchange *between* community institutions, not simply within them, making it possible to link any purchase to civic or movement participation. This project, then, contributes to social movement research on consumerism by approaching the subject with a genuinely novel case: Local currencies are about more than the location of exchange, but its meaning at the level of the entire community, as well.

Movement outcomes have also received attention from scholars, from a number of different perspectives. The central problem of connecting social movements to outcomes of social change is that of causality (Earl 2000). How do researchers tie collective action, insurgency, and protest to outcomes that are so frequently the result of, for example, policy changes, court decisions, or legislative processes? The linking of non-institutional processes to institutionalized outcomes is a challenging problem for both movement organizers and movement scholars. Gamson (1990 [1975]) suggests that two important consequences of insurgency for organizations are first, acceptance as a legitimate contestant for power, implying some level of access to the polity, and second the receiving of new advantages, that is the gaining of some material objective or desired benefit. For Gamson, these items roughly constitute movement success, and he argues that insurgency and bureaucratic organization are correlated with such achievement. Cress and Snow (1996) treat success as a function of resources and organizational viability. While it is clear that organizational outcomes are distinct from what we might call “movement outcomes,” Cress and Snow argue that organizations that achieve the conjunction of resources necessary to sustain themselves are actually able to focus more on movement tasks than on tasks of organizational maintenance. An alternative approach to organizational sustainability is the idea that innovative or alternative forms of organizing are fostered in some environments and hindered in others (Schneiberg 2002).

Diani (1997) takes a different approach, arguing that social capital and network ties are movement outcomes in their own right. Diani argues that movement-developed social capital is ultimately important in developing movement cultures that foster future collective action (This is argued by Taylor [1989] to constitute move-

ment “abeyance.”) Taylor and Whittier (1992) make similar arguments about the importance of participation in collective action in generating subsequent activist and collective identities. For a movement such as local currency, this may be a significant element to consider: Given that even organizationally-successful local currencies remain small in terms of their economic outcomes, they may nonetheless provide important solidarity, collective identity, and community ties that are valuable to their participants as well as conducive to other movement efforts. In building or promoting a particular kind of civic culture, local currency suggests an interesting departure from studies of policy- or legislation-related outcomes: The goal of currencies is to generate participation that creates a permanent alternative institution, something which may take place without any of the other conventionally-measured outcomes, such as roll call votes or policy change (e.g. Soule et al. 1999, Soule and King 2006).

Leadership is also an important element of outcomes, as well as movement mobilization more generally. Leadership has not been heavily studied by movement scholars, who have tended to leave it aside as a function of other processes of mobilization (McAdam 2001). Noteworthy exceptions include studies that tie organizer characteristics to the shape of movement projects (Herrmann 1991, Pakulski 1986, Schussman and Earl 2004); examine processes of socialization to leadership (Rejai and Phillips 1979, 1988); and link organizers to the “strategic capacity” of a movement (Ganz 2000). Andrews (2004) also considers leadership in more detail than much preceding work. I will draw on some of this work as I consider both the challenges faced by local currency organizers as well as their strategies for maintaining their organizations.

### The sociology of money

While the core questions that shape this dissertation are guided primarily from a perspective of social movements, sociological understandings of money are also important, especially for Chapter 5. Money is usually understood as a store of value, a unit of measurement, and a unit of exchange (Keister 2002), though these characteristics oversimplify money in theory and in use fairly substantially. They presuppose an

economy that is complicated enough to need abstract representations of value. That is, if direct barter is sufficient for parties to obtain what they need, or if transactions can be completed without the need to carry value forward to some future exchange, then money is unnecessary (Mizruchi and Stearns 1994).

The complexity that money lends to a system of exchange significantly shapes Simmel's *Philosophy of Money* (1990). For Simmel, money is the technology that allows for sufficient specialization to produce a division of labor. In so doing, it can destroy the “particularistic relationships between parties” that characterizes barter (Baker and Jimerson 1992:682), leaving exchange impersonal and stripped of social bonds. This is tremendously empowering, allowing for far greater personal freedom (Parsons 1967), but it also promotes the depersonalization of exchange, rendering what Simmel complained was a “colourless” landscape of exchange in which money operates (1990:451).

Marx, meanwhile, sees money as fundamentally laden with power, as the material that facilitates the objectification of labor underlying economic production (1977:270-280). Money for Marx has little to do with consumption and far more to do with production and as such it embodies the contradictions involved in capitalism: By enabling the transformation of labor into a commodity, money simultaneously represents the freedom of laborers to sell their production and the alienation that results. In contrast to Simmel, whose interest lies significantly in the inner life of the users of money, Marx identifies such transactants as stand-ins that link the larger processes of capital and production, mere “personifications of economic relations” (1977:179). Later analyses, such as Baker's (1987), reinforce the tie between power and money, observing that the very definition of legitimate economic exchange is made by those who possess sufficient resources to impose their terms on others.

While for Marx money objectifies inequality inherent to capitalism — and in fact operates to obliterate any earlier markers of unequal class relationships — for Weber money is representative of the power of the state to institutionalize rational exchange. This takes place both through the power to legislate as well as through the tremendous scale of the state's economic activity (1978:166-7). The relationship between money

and state power is discussed extensively by Gilbert and Helleiner (1999) and Helleiner (2003), who note that the development of national currency is both a marker of state authority as well as important indicator of the capacity to manage complicated transactions. The relationship between money and rationality is explored in more detail at a micro-sociological level by Carruthers and Espeland (1991), who argues that money as a tool for rational calculation has important cognitive consequences.

Much contemporary discussion of money focuses on money's cultural dimensions (a key axis of analysis identified by Baker and Jimerson 1992), specifically the ways in which money is shaped by — and shapes in return — social attitudes and relationships. Prominent in this category is Zelizer's extensive work on the social meaning of money (Zelizer 1989, 1994) and her more recent consideration of social spheres and circuits through which money travels (Zelizer 2005). Zelizer makes observations that have bearing on local currency, in particular: first, that money is marked by socially-defined categories and has extensive meaning and use beyond the realm of market calculations; and second, that those socially-shaped understandings of money restrict some uses and facilitate other uses, not simply of money in general but of particular forms. This means, for instance, that money is appropriate in some contexts but not others, and that some monies cannot be used for the same purposes as other monies. Zelizer outlines a broad set of types of money, each of which carry particular meanings and social sanctions, depending on the purposes to which they are applied: managing intimacy, dealing with conflicts, enacting social control, and marking social differences are all activities that lend particular meanings to money. Some of these categories are relevant to local currency, and are discussed further with regard to money's "flow" in Chapter 5.

Other work on money pays further attention to the way that money is embedded deeply in social relationships and institutions. In a manner somewhat contrary to the universalized and abstract relationships that Simmel earlier used to characterize money, Dodd (1994) argues that concrete networks of social relationships enable the use of money, and that "rational, fiduciary, and political relationships among transactors . . . exist above and beyond these transactions" in which they engage.



Money and culture function at a level broader than earmarking and interaction, of course. For example, money plays a significant role in defining and demarcating communities. The iconography of money, for example, serves to signify shared membership and explicit recognition of a community in which the money is useable. As McGinley (1993:249) writes, currencies function as the shared symbols through which “citizens are authorized to ‘see’ and to ‘be’ ” co-members of nations (or, in the case of local currency, of cities or regions). As (Cohen 1998, 2004) observes in the case of the European Union’s adoption of the Euro, these shared symbols become deeply significant at the national level, carrying with them elements of identity that can make the adoption of new currencies extremely difficult.

Redefining money, then, means far more than printing new money: At the practical level it involves integrating new or foreign institutions and recognizing unfamiliar transactors, while requiring a reassessment of boundaries and identity as well. Even at times of instability and upheaval, this process may involve intense debate, as Caruthers and Babb (1996) and Babb (1996) both discuss. When an institution such as money is already established, moving against it is even more difficult. Swedberg affirms this, noting the care that must go into reframing an existing institutional concept, writing that if “people try to socially construct something that goes against the existing institutions of society, they run the risk of being hit by a force similar to that of a train rushing ahead” (2003:294).

Local currencies add a particularly problematic element to the consideration of transforming money. Unlike the adoption of the Euro, which could at least be argued to facilitate easier transactions across borders, local currency explicitly restrains exchanges. That is, unlike most money that creates opportunity for wider, more universal, anonymous exchange, local currency by definition narrows and personalizes the range of possible exchange partners. It actually adds cost to a practice that is otherwise cost-less, at least intellectually. This is quite in line with research that finds that viability depends on much more than either technical capacity or an appropriately-framed ideology: Derksen and Gartrell (1993) find this in the case of promoting recycling, for example, and Helleiner (2003:229) makes a fitting argument with re-

gard to money: any effort to transform money must be accompanied by a political project if it is to “faciliate the creation of new conceptions of economic space.”

### Local currency research

There is a small set of extant scholarship on local currencies, some of which was reviewed in Chapter 2. As suggested, most research consists of broad overviews and evaluations particularly of Time Bank and LETS programs, and primarily outside of the United States. The multiple reports produced by Seyfang (2006b, 1999, 2005, 2002b) and Williams (2001, 1996a, 1996b), for example, are representative of this. Much of this work is oriented toward evaluating the effects of Time Banks/LETS as vehicles for economic development. Where LETS programs have been large and fairly prominent, as in certain regions of the UK, these authors are optimistic that they contribute to the creation of jobs and the generating of income that otherwise would not exist.

This argument is complementary to claims made by scrip currency advocates, but as of yet those programs have not generated substantial evidence to that claim; although programs such as Ithaca’s has a significant amount of success, the precise question of economic impact is more difficult to answer. The generation of social capital is, perhaps, a different issue: Raddon (2003), for example, describes in detail how using local currency affects the relationships of its users. At the more macro level, the only analysis of scrip currencies in the United States is Collom (2005). Collom applies predictions from resource mobilization theory to the foundings and survival of U.S. local currencies. In Chapter 7, I provide some critique of Collom’s approach and attempt to develop a more sound approach to the persistence of currency programs.

Additional work has been done by Helleiner (2000), who situates local currency as a consumption-based project primarily of green politics, and tracks some of the identity-based politics pursued by activists. Similarly, Evans (2004) uses local currency to explore the ways in which money is laden with values, as well as constitutive of social networks. Evans suggests further that local currency can strengthen particular kinds of networks and counters the socially homogenizing forces of national

money.

Finally, Zelizer (2005) uses local currencies — broadly construed, including Time Banks — as an example of models of capitalist exchange that do not obliterate social solidarity from exchange. Zelizer here is interested in the ways that capitalism, or money in particular, can be applied to address some of the problems of capitalism itself, argues that local currencies represent “intersections between capitalist markets and pressing problems.” This perspective is particularly interesting, reflecting as it does one of the original interests guiding this dissertation: the repurposing of particular elements of an institution in order to solve specific institutional problems.

### Theoretical opportunities

The above literature suggests several opportunities to develop sociological concepts and theory through the study of local currencies. These theoretical spaces inform the specific empirical questions that are examined in this dissertation, and are fairly closely-related.

First, with regard to organizations and institutions, local currencies offer an opportunity to explore further the ideas about “favorable institutional environments” that scholars such as Schneiberg have begun to develop, and that are further echoed by resource mobilization and political opportunity approaches to movements. Establishing and maintaining local currency are efforts that likely face some of the same constraints that other efforts to build alternative or new institutions encounter, but local currencies seem to face an additional obstacle in the extraordinary degree to which exchange is institutionalized in particular processes and practices. Explaining local currency is likely to require not only an exploration of the institutional environment, but of the practices involved in participating in exchange, or, at the organizational level — where this dissertation focuses more specifically — the creation and maintenance of a system that requires participation in order to meet its most minimal goals. This dissertation, then, attempts to build a framework to simultaneously consider the environments in which local currency projects are founded, the life course of those projects, and the organizational tasks required to enable the (partial)

redefinition of monetary exchange.

This dissertation also seeks to further develop social movement approaches to movement participation and organization. Both ideologically structured action and the notion of “everyday activism” (Mansbridge and Flaster forthcoming) would significantly broaden the field of social movements and collective behavior, but as Klansdormans (2000) argues, the utility of this broadened perspective has yet to be proven. I will argue that drawing on these concepts does enable scholars to productively think about certain kinds of movement activity, but that it may be equally important to find a middle ground between everyday activism and organized activism.<sup>1</sup>

Finally, this project allows for some opportunities to think in detail about the sociology of money. The first is largely descriptive: Studying local currency allows for — indeed, requires — a detailed discussion of money at both structural and individual levels. I take money itself as an object on its own and work to add to existing conceptualizations with a thorough treatment of contemporary efforts to understand and redefine its use and meaning.

Second, local currency, as Helleiner argues elsewhere (2000), takes money a bit further by explicitly re-politicizing it, but the extent of this transformation remains something of an open question. Regardless of specific political orientation, the kinds of questions asked by Weber — such as the ties between administration of money and use of money and the functioning of government and forms of economy — should be acutely relevant to local currency. But as a baseline we know relatively little about the range of politics that underlies local currency, so one of the central objectives of this dissertation is to gain a better handle on the ties between politics and local currency and subsequently use local currency as a way to develop ideas about the relationships between politics and money at a more general level. This project should contribute both at the descriptive level as well as a more macro-level quantitative level to some of the gaps in local currency-specific research noted above.

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<sup>1</sup>Sampson et al. (2005) engage in a similar project, identifying and defining protest-type events that bridge the divide between civic and activist.

## CHAPTER 4

### DATA & DATA COLLECTION

The empirical core of this dissertation is analysis of local currency programs in the United States. As noted in chapters 2 and 3 local currencies have received some academic attention, much of which has been in the form of case studies (e.g. North 1998) or focused on progressive community economic projects more generally (e.g. Seyfang 2001b, Williams et al. 2001, Aldridge et al. 2001, Purdue et al. 1997). Specific sociological attention has been sparse; Collom (2005), Evans (2004), Zelizer (2005) are important exceptions, but my project is unique in that it is the first to undertake both a broad quantitative analysis as well as a qualitative study that involves more than a very small number of cases. Performing these analyses involves collecting primary data on local currency projects and pairing that project data with city-level information from multiple sources. The final set of data consists of survey information, archival materials including newsletters, membership rosters, and other material obtained from project web sites and from the library of the E. F. Schumacher Society, and city-level data on the locations in which local currencies are founded. This chapter describes the process of collecting these data and summarizes some important characteristics of the data.

#### Data and Data Collection

Because this project seeks to explain broad features of local currencies, operating on case study data is not adequate. For this reason, assembling data on the broader population of local currencies in the United States was necessary. As explained earlier, this project focuses solely on U.S.-based local money programs that print and distribute scrip currency. Although Zelizer (2005) suggests that scrip, Time Dollar, and barter projects are largely equivalent, this claim has empirical problems. Time

dollars (Cahn 2000), for example, have achieved much broader success than scrip programs (see discussion in Boyle [2000a], for example, and my comparison in chapter 2). Moreover, while these programs are certainly alike in community orientation and, to some extent, economic goals, they function in dramatically different ways. Barter, for example, even when facilitated on a large scale, still requires direct exchange between two parties, while both Time Dollar and scrip exchange is more generalized. Time Dollars, meanwhile, are implemented in significantly different ways from scrip programs: the printing and exchanging of bills versus using a centralized accounting system to track donations of labor is an important distinction that has implications for how programs are viewed, administered, and motivated. More to the issue of changing institutions, scrip currency confronts in a different and more complicated manner the process, organization, and meaning of monetary exchange.

Based on this distinction, I focus only on community economic projects that produce scrip currency for local exchange. This restriction of the potential population still leaves a number of data collection issues, one of the most significant of which is the identification of local currencies. As Collom (2005) notes, a number of individuals and organizations have attempted to identify and list local currency programs; however, these easily-available lists are outdated and inaccurate, necessitating both the addition of newer projects and the confirmation of existing listings. Initial lists of local currencies were obtained from several sources in addition to that list compiled by Collom: A list posted at the website of “The Progress Report,”<sup>1</sup> a list assembled by a former local currency organizer;<sup>2</sup> a list located at Wikipedia;<sup>3</sup> and a directory assembled by the E. F. Schumacher Foundation.<sup>4</sup> The last of these lists is particularly important, because the E. F. Schumacher Society has been a central point of communication about local currencies, and is therefore in a unique position to have accurate information about local currency in the United States. Compiling all four of these sources yields a list of 93 projects.

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<sup>1</sup><http://www.progress.org/archive/currency.htm>

<sup>2</sup><http://members.aol.com/ALinNOLA/otherprograms.html>

<sup>3</sup>[http://en.wikipedia.org/wiki/Usa\\_Community\\_Currencies](http://en.wikipedia.org/wiki/Usa_Community_Currencies)

<sup>4</sup>[http://schumachersociety.org/local\\_currencies/currency\\_groups.html](http://schumachersociety.org/local_currencies/currency_groups.html)

Not all of those 93 projects are usable for the purposes of this project, however. Many of them never moved beyond the discussion stage, some are barter-only or Time Dollar systems, and others are identified by nothing other than an organizer's name, leaving ambiguity as to their existence. Ultimately, the final list of U.S. local currencies used in this project was derived concurrently with the conducting of a survey of local currency organizers.

A survey of currency organizers is one of the core empirical projects of this dissertation. Surveying organizers allows for the exploration of a number of important questions: How do organizers generate involvement in a project that is not only absolutely dependent on participation, but marked by the need for significant re-framing of the rationales of exchange (e.g. Biggart and Delbridge 2004)? By what processes do they recruit new participants and what are the most salient rationales they use for participation? How do organizational-level factors interact with other conditions to influence local currency outcomes? Following up on previous work that considered the backgrounds of leaders of new online movement organizations (Schussman and Earl 2004), the survey of project organizers allows me to explore the history of organizers as activists and their ties with other local currency organizers.

Conducting the survey was made possible through the collection of archival resources collected directly from the library of the E. F. Schumacher Society, which I visited in the summer of 2004. Throughout its history, the Society has advocated for local currencies (as a part of a broader agenda of promoting local sustainability and community economics projects), and consequently has accumulated a trove of information on local currencies, including newsletter archives, mailing list records, news articles, and currency samples. The Society is central enough in the network of community currency users and advocates that it was able to produce several generations of a local currency directory. In their archives were computer data on these projects and copies of correspondence between the Society and local currency organizers.

This archival material was central in both the generation of my survey instrument itself as well as the list of survey subjects. The Schumacher material constituted the single most complete set of available contact information, which was critical for solic-

iting survey responses. Further, the richness of this material helped shape the survey questions. It held a wealth of narrative and historical information that informed some background questions, and the directory information compiled by Schumacher suggested important baseline information that was desirable to collect.

The survey of project organizers was composed of several elements: a set of demographic questions; a brief narrative of the project's founding, including particularly successful or problematic elements; a series of questions relating to activist history and ties to other projects; and a series of questions asking organizers to describe their roles in the organization (See Appendix A). Questions were developed over time, based on Schumacher archival material — including prior currency directories that listed specific currency-related information — as well as on a series of preliminary interviews with currency organizers and participants. These interviews took place first during a visit to the Schumacher library, and then in June 2004, at the Schumacher-sponsored conference *Local Currencies in the 21st Century*, which took place at Bard College. These preliminary interviews were highly useful. They generated valuable background information and detail on a few specific currency programs, helped to identify issues that are particularly important to currency advocates, and established some informal ties within the currency community.

When the survey instrument itself was completed,<sup>5</sup> the process of soliciting currency organizer participation began in the fall of 2004. Framing the contacting of survey respondents was the problem that not all currency programs with a listing in any of the several available directories were, indeed, genuine scrip currency programs that had gone through a public launch.<sup>6</sup> The strategy employed was to work from a list compiled from all available sources of currency listings, knowing that some or many of the programs on the resulting list would be later excluded from the data set. This did indeed prove to be the case as the process of searching for program organiz-

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<sup>5</sup>The full survey can be found in Appendix A.

<sup>6</sup>Having launched is an important condition: Currency mailing lists, for example, carry many conversations from potential organizers of new projects, most of which do not eventually materialize. Requiring included projects to actually circulate some currency in their community was an inclusion criteria that kept the population manageable, in the practical sense, as well as more substantially relevant for purposes of studying “real” efforts at organizational development and change efforts.



ers proceeded. For this reason, the list of currencies employed herein is significantly more accurate and up-to-date (as of the conclusion of data collection) than the lists that preceded it.

The target population of the survey was defined for purposes of this project as the current or last (in the case of defunct currency projects) individual who acts or acted as the *primary* coordinator of the project. In a few programs that are or were operated explicitly as cooperatives, a single member of the coordinating committee or board of directors was solicited to participate. In the most simple cases, currency organizers were correctly identified in a published directory and were reachable via email or phone for solicitation to participate in the survey. In most cases, however, locating currency organizers was much more difficult. Most listed currency programs are no longer active and many organizers have subsequently changed phone numbers, addresses, or email addresses. In some situations, former organizers were found to have left the country or even died.

In situations where organizers were not readily available, attempts were made to locate and contact organizers through other means. Archived newsletters were used to identify either co-organizers or other prominent contributors to the local currency program, the latter of which sometimes could be identified through advertisements they placed in newsletters (for example, artists who produced the local currency, or others who were identified as assisting with distribution or legal questions). These other contributors frequently could forward requests for participation or put the author directly in touch with organizers.

Organizers who responded positively to the request for participation were given the option of returning a paper survey, filling out an online questionnaire, or responding to survey questions via a phone interview. In each case, up to three attempts at follow-up were made to survey recipients to request their completion of the survey. Of the 42 organizers successfully contacted, 38 agreed to participate in the survey, and 32 *usable* surveys were completed. (After completion, several surveys were determined to be outside the sampling frame because they represented projects that were barter-only or that were never actually launched, or covered projects that were already surveyed.)

Importantly, these surveys were still informative: As noted above, the process of conducting the survey resulted in a complete list of viable local currency programs. Many of the projects listed in the initially-compiled list were found to have never launched. This was determined in several ways. Several programs were affirmatively found to have never launched via direct confirmation from a nominal program organizer who could confirm that the project never moved past the “conversation stage;” others were found to have been restricted to barter or Time Dollar exchanges; finally, some others are presumed to have never launched, determined by a complete lack of news coverage, or the lack of any archival material either in the E. F. Schumacher library or available online, pertaining to the project. Given that virtually all viable programs distributed material either online or via the E. F. Schumacher Society, received some kind of media coverage (mailing lists, local newspapers), were mentioned in the newsletters or web sites of another project, or identified multiple participants who could be contacted for information, the exclusion of programs for which none of this kind of material could be found, is believed to be reasonable.

With the conclusion of the organizer survey, the overall effort can be appraised. Of 93 initial projects in the compiled currency list, 62 were found to be within the inclusion criteria. Of these, organizers for 42 could be reached, yielding 32 completed and usable surveys, for a survey response rate of 76%. See Table 4.1 for the full list of included currency programs and Figure 4.1 for a map of project locations.

At the survey’s conclusion, then, the data on local currencies consisted of, first, a useful and empirically verified list of U. S. local currency programs, and, second, a detailed set of information on a subset of those programs. Complementing these data is a large collection of archival material, including copies of voluminous amounts of correspondence and publications produced by local currency representatives — obtained from the library of the E. F. Schumacher Society — and a mirror of web sites produced by local currency projects, archived live from the site itself where possible, and from past records kept by the Archive.org project. These latter material have been coded for content to add to the corresponding project data taken from the survey.

Table 4.1: Attempted local currency programs in the  
U.S., by 2005 (N=62)

Name	City	State
Flagstaff Neighborly Notes	Flagstaff	AZ
Tucson Traders	Tucson	AZ
High Desert Dollars	Prescott	AZ
Santa Barbara Dollars	Santa Barbara	CA
BREAD	Berkeley	CA
Arcata	Arcata Hours/Humboldt Exchange	CA
Sequoia Hours	Garberville	CA
Sonoma Time	Sonoma	CA
Mendocino SEED	Mendocino	CA
Sand Dollars	Bolinas	CA
San Luis Obispo Hours	San Luis Obispo	CA
Dinosaur Dollars	Clifton	CO
North Fork Helping Hands	Paonia	CO
NOCO Hours	Fort Collins	CO
Boulder Barter	Boulder	CO
Community Cash	Durango	CO
Thread City Bread	Willimantic	CT
St. Augustine Real Dollar	St. Augustine	FL
Gainesville Hours	Gainesville	FL
Kauai Barter and Trade Network	Kilauea	HI
Barter Bucks	Indianapolis	IN
BloomingHOURS	Bloomington	IN
Lawrence Trade Organization	Lawrence	KS
Berea Bucks	Berea	KY

Table 4.1: *(continued)*

Name	City	State
Mo Money	New Orleans	LA
Cape Ann Dollars	Gloucester	MA
Valley Dollars	Greenfield	MA
Baltimore Hours	Baltimore	MD
PEN Shares	Takoma Park	MD
Waldo Hours	Waldo	ME
Great Lakes Hours	Detroit	MI
Kansas City Barter Bucks	Kansas City	MO
Earthaven Leaps	Asheville/Earthaven	NC
Mountain Money	Asheville	NC
NCPlenty	Chapel Hill	NC
Santa Fe Hours	Santa Fe	NM
Ithaca Hours	Ithaca	NY
Brooklyn Greenbacks	Brooklyn	NY
Chanango Hours	Chenango county	NY
Oneonta Hours	Oneonta	NY
Columbia County Hours	Philmont	NY
Portage Hours	Kent	OH
Simply Hours	Columbus	OH
Summit Hours	Akron	OH
Cuyahoga Hours	Cleveland	OH
Corvallis HOUR Exchange	Corvallis	OR
River Hours (Columbia River Gorge)	Hood River	OR
Cascadia Hour Exchange	Portland	OR
Wallowa Hours	Wallowa	OR
Emerald Ecos	Eugene	OR

Table 4.1: (*continued*)

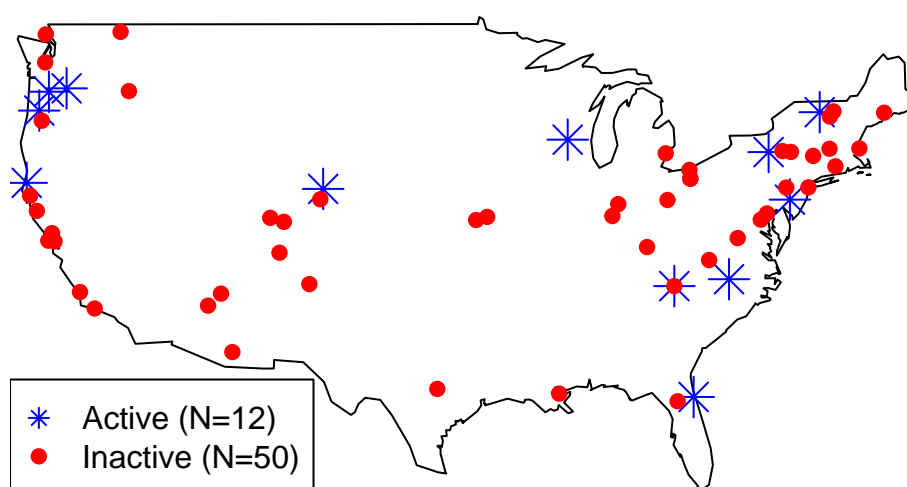
Name	City	State
Equal Dollars	Philadelphia	PA
Lehigh Valley Hours	Bethlehem	PA
Dillo Hours	Austin	TX
Charlottesville Barter Network	Charlottesville	VA
Floyd Hours	Floyd	VA
Green Mountain Hours	Montpelier	VT
Burlington BREAD	Burlington	VT
Buffalo Mountain Hours	Hardwick	VT
Lopez Hours	Lopez	WA
Sound Hours	Olympia	WA
Kettle River	Kettle Falls	WA
Madison Hours	Madison	WI

#### Data discussion and summary

Subsequent empirical chapters work in more depth with the survey and project data. Here, some interesting characteristics of the population are provided for the purpose of general orientation to the broad local currency community in the United States.

By combining archival with survey data, some gaps in the survey data can be filled: Project longevity, for example, is an important item in the organizer survey; to explore how projects persist and fail, organizers are asked several questions about the year-by-year progress of their currency programs. From newsletters and correspondence that identify the shuttering date of a local currency, this information — or at least the founding and shuttering dates of projects — can be completed for many more projects than just those surveyed. The result of that effort is a nearly-complete picture of the life span of local currencies in the U.S. When paired with a variable measuring the

Figure 4.1: Local Currencies in the U.S. and their status (2005)



status of the program — that is, whether the currency program is still in operation as of the time of data collection — an overall impression of U.S. currencies can be generated. Figures 4.2 and 4.3 are illustrations.

What is most apparent from these two figures is that the great majority of local currency projects founded to this date are no longer in operation. Of the 62 local currencies included in this study, just 12 are currently functioning (actively organized and conducting exchanges in local currency at the conclusion of data collection). Further, as seen in Figure 4.2, the majority of projects cease activity in their first three years of operation. However, among the 9 projects that lasted seven years or more, 6 are still in operation; this suggests that stability — due perhaps to organizational age, experience, or community embeddedness by that point — may be a function of longevity. The history of local currencies in a broader sense can be seen in Figure 4.3: The mid-1990s saw the greatest number of local currency foundings. At best, however, one or two currency projects from each year are still operating.<sup>7</sup>

To further illustrate some of the trajectory of U.S. currency programs, Figure 4.4 shows the average membership and circulation, in dollars, of currency projects. These data are taken from my survey of currency organizers, where respondents were asked to estimate these figures for the years of their currency's operation.

Selected summary statistics from the survey are shown in Tables 4.2 and 4.3. These tables describe, first, organizational characteristics of surveyed projects. One important feature that is suggested by these figures is the relative level of informality of local currency programs. A small minority are formal non-profit organizations, and just 3 are otherwise formally incorporated. The majority of them have no office space, no officers, or no funding beyond whatever personal contributions are made by organizers and members. In terms of the organizational characteristics suggested by authors such as Cress and Snow (1996) to be important factors in program viability,

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<sup>7</sup>Worth noting, however, is the possibility that the mid-2000s may see another spike in local currency foundings, after significant community-building events such as the 2004 *Local Currencies in the 21st Century* conference. After data collection for this project was completed, the E. F. Schumacher Society launched another iteration of a local currency for the Berkshires area of Massachusetts, and it is reasonable to assume that the publicity and interest generated by this project will spur future foundings.

Figure 4.2: Age and Status of Local Currencies

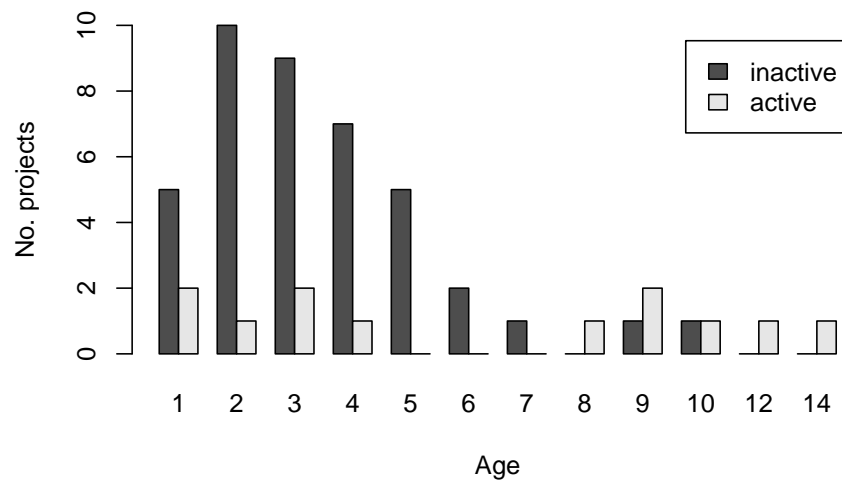
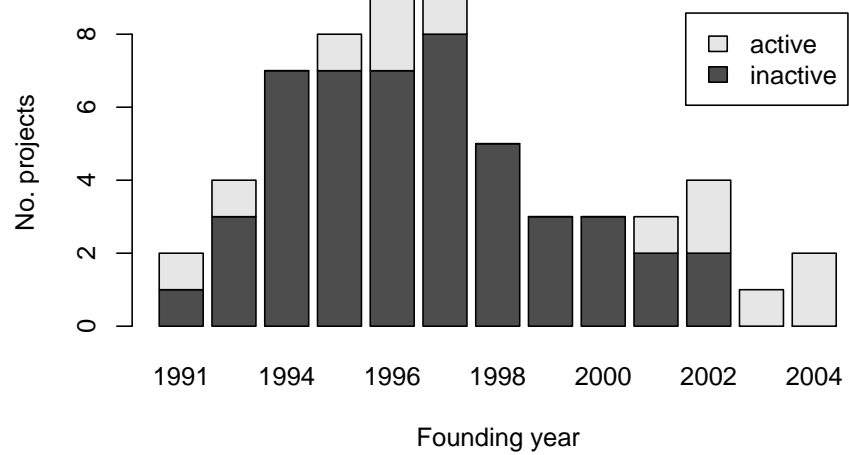


Figure 4.3: Founding Date and Status





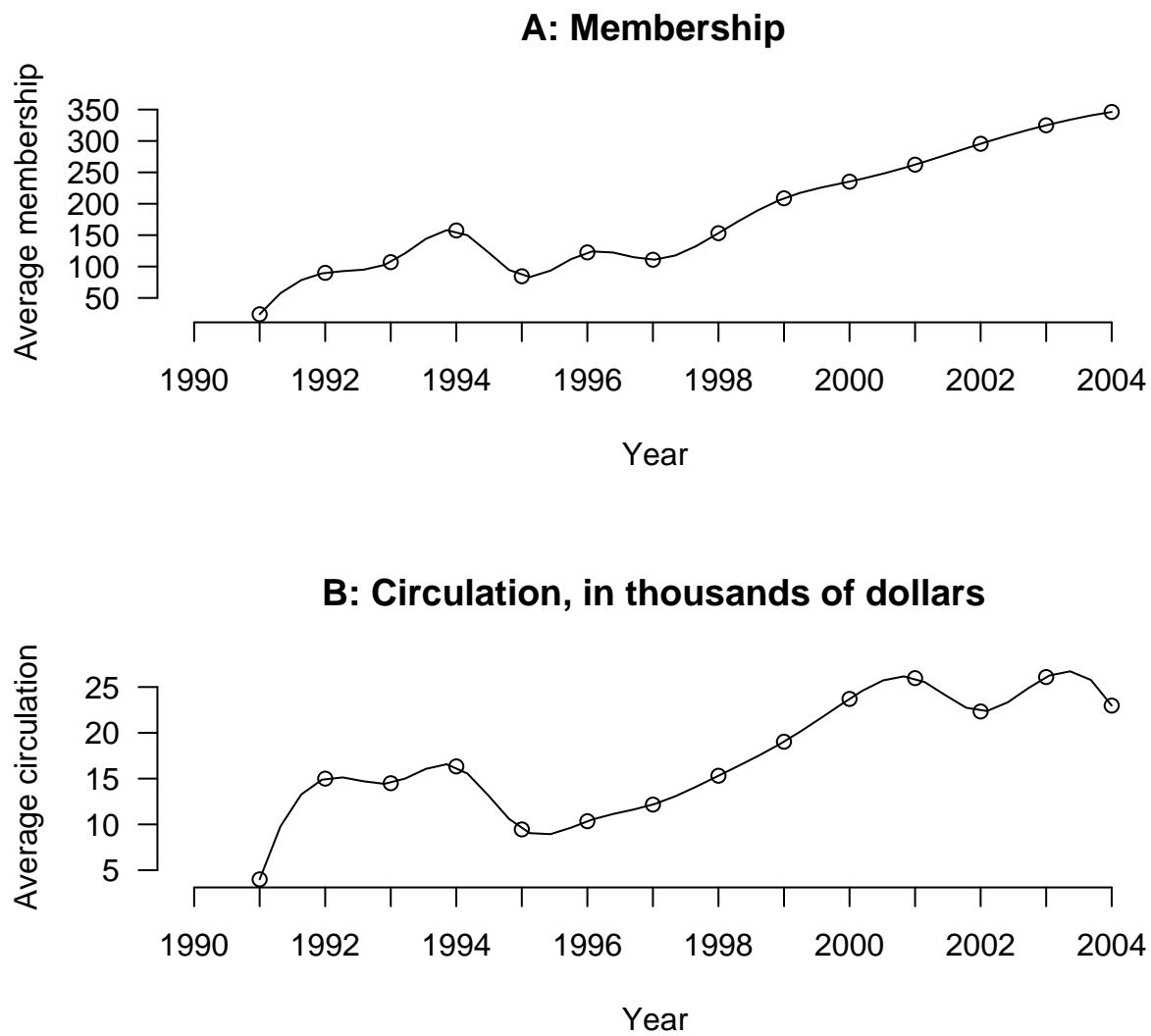


Figure 4.4: Mean U.S. currency membership and circulation figures

local currencies appear to come up fairly short. Nonetheless, many projects report a fairly high level of volunteer activity: fewer than four regular volunteers is unusual, and projects reporting ten regular volunteers are not uncommon. Likewise, most programs report having some sort of steering committee or board of directors — though in many cases, those positions are reported to be filled rather informally.

Organizationally, these figures present some issues worth exploring further. The effect of different kinds of resources and the extent to which organizational characteristics (versus higher-level factors having to do with cities or geography) shape project outcomes (longevity and activity) will be explored in more depth in Chapters 6 and 7.

The second of these tables, Table 4.3, describes project organizers themselves. Most surveyed organizers were program founders, and most of those who were not original founders came on to the program within the first two years of its activity. One perhaps surprising finding of the survey is the age of organizers: While most organizers are in their 30s or 40s, about one-third of them are in their 60s or 70s, perhaps suggesting an age cohort effect. Less surprising given the research on movement-organization leadership is that the majority of organizers are men. Finally, while a few organizers reported high earnings, the median annual household income among those sampled was \$32,000. There is more detail to the organizer survey, but the remainder is left for Chapter 6, where organizer characteristics are explored in more detail, in conjunction with project archival data.

### City-level data

Collecting city-level data for the locations in which local currencies are found proved to be difficult in some circumstances. Some currencies profess to serve multiple counties while others serve cities that are too small to have inter-censal data — for many such locations, no population estimates are made between census years. Population figures for most cities are prepared using the closest geographical match from the 1990 and 2000 U.S. Census. In most cases, this means the population is measured at the city level; some areas are identified as Census-Designated Places (CDPs). Two or

Table 4.2: Selected organizational statistics (source: organizer survey; N=32; rows do not sum to 32 because of missing values)

Org. characteristic	Yes	No
Nonprofit	8	23
Other incorporation	3	27
Umbrella organization	13	18
Office	13	18
Officers	11	20
Board	20	11
External funding	11	18

three cities have either the 1990 or 2000 population number unavailable, precluding cross-time measurements.

Key city-level variables are as follows (aside from Green Pages and voting numbers, all data comes from U.S. Census and Bureau of Labor sources), and are summarized in Table 4.4 :

- Green business: Collected by counting local listings from the Co-op America *National Green Pages*, this measure is a count of local businesses that might be particularly friendly to local currency programs. All businesses listed in the *Green Pages* undergo a screening to ensure their fit in a directory that focuses on sustainability and economic and social justice. Because *Green Pages* listing methods changed over time, the measurement is presented as a mean count of listings for each city between 1996 and 2004.<sup>8</sup>
- Size: Geographic area of cities, in square miles.
- Unemployment, 1990/2000
- Household income, 1989/1999
- Population, 1990: Local currencies are founded in cities that run the full range of size, from 396 at the low end to well over 2 million at the high (1990 figures).

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<sup>8</sup>1996 is the first year of the publication of the *Green Pages*.

Table 4.3: Selected organizer statistics

**Organizer birth**

n	missing	unique
25	7	6

	1930s	1940s	1950s	1960s	1970s	1980s
Frequency	4	5	5	3	7	1
%	16	20	20	12	28	4

**Age of organizer (decade)**

n	missing	unique	Mean
25	7	6	44

	20	30	40	50	60	70
Frequency	2	8	4	3	5	3
%	8	32	16	12	20	12

**Organizer sex**

n	missing	unique
32	0	2

M (20, 62%), F (12, 38%)

**Approx. Individual income**

n	missing	unique	Mean	.05	.10	.25	.50	.75	.90	.95
23	9	16	20261	5000	5200	8000	15000	27500	40000	49000

	0	5000	6000	7000	8000	10000	12000	15000	18000	20000	25000	30000
Frequency	1	2	1	1	2	3	1	2	1	1	2	1
%	4	9	4	4	9	13	4	9	4	4	9	4

	35000	40000	50000	72000
Frequency	1	2	1	1
%	4	9	4	4

**Approx. Household income**

n	missing	unique	Mean	.05	.10	.25	.50	.75	.90	.95
24	8	16	36083	10000	10600	19500	32500	46250	63500	70950

	7000	10000	12000	17000	18000	20000	25000	30000	35000	40000
Frequency	1	2	1	1	1	3	2	1	2	3
%	4	8	4	4	4	12	8	4	8	12

	45000	50000	60000	65000	72000	120000
Frequency	1	2	1	1	1	1
%	4	8	4	4	4	4

**Organizer was also founder of project**

n	missing	unique
32	0	2

Yes (22, 69%), No (10, 31%)

	Min	Max	Mean
Green business	0	27	4
Size	.5	361	51
Unemployment (1990)	1.6%	15.3%	5.6%
Unemployment (2000)	2%	9.5%	4.1%
Population (1990)	396	2,301,000	187,300
Population (2000)	432	2,465,000	198,000
Household income (1989)	17,500	44,810	25,220
Household income (1999)	21,440	53,190	35,290
	Yes	No	
University	46	16	
Democratic vote (1988)	33	28	
Democratic vote (1992)	49	12	

Table 4.4: Summary of city-level variables

Most cities, however, are well below 500,000 residents, with a mean population of a little over 190,000 and a median population of just over 38,000.

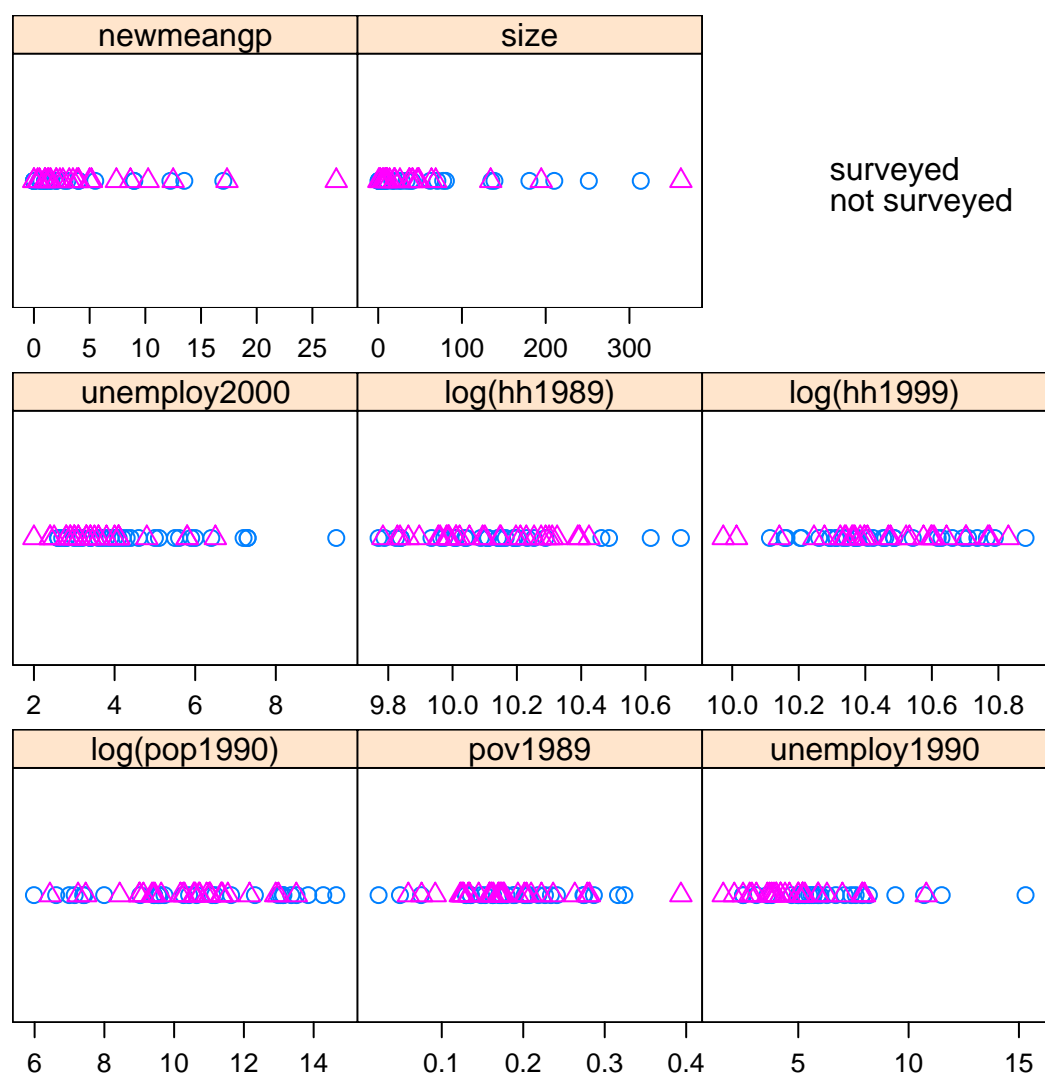
- Poverty rate, 1989
- Democratic vote: This variable is collected for each U.S. Presidential Election, collected at the county level from the POLIDATA Demographic & Political Guides.<sup>9</sup> The variable records whether the county voted for a Democratic Presidential candidate in a given year.

To assess any important differences between surveyed and unsurveyed local currency programs, some comparison plots are useful. Figure 4.5 shows the distribution of a set of city-level variables between surveyed and non-surveyed programs. This figure suggests that while unemployment in particular appears somewhat higher in surveyed communities — with one particularly high data point — most city-level variables appear to be distributed similarly between surveyed and unsurveyed programs.

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<sup>9</sup><http://www.polidata.us/>

Figure 4.5: Distribution of key variables in surveyed and unsurveyed programs



## CHAPTER 5

### REMAKING MONEY

By illuminating the system through which money is created and used, local currencies identify elements of money and exchange that might be subject to contention and redefinition. At a broader community level they provoke an exploration of how institutions are built, challenged, and changed. Local currencies provide a rich opportunity to explore these processes at multiple levels. They on the one hand embrace the legitimacy of monetary exchange, while on the other hand challenge the form and organization of that exchange. Further, the case of local currencies demonstrates how difficult institutional change can be, but in a way different from the movement literature that focuses on policy-making legislation, or mobilizing overt protest (e.g. Giugni 2004). Engagement in efforts to transform money are hard to categorize cleanly: They are at once an overt and collective challenge to a powerful institution; but the actual form of engagement, the exchange of money, is highly institutional.

What do we make of conventional, institutionalized practices employed for purposes of challenge or deinstitutionalization? Our understanding of how apparently routine activity can be challenging or transformative of institutions is still limited. With a focus on the everyday practices that make a system whole, “routine challenges” point to another obstacle — and perhaps opportunity — to the generation of social change. This chapter pairs a detailed examination of the conventional meanings of money that are reframed by local currency, with contemporary movement accounts of how acting in institutional or everyday frameworks may contribute to social change.

As noted earlier, Mayer Zald’s “ideologically-structured action” begins to speak to these activities with the assertion that scholars are overlooking significant movement activity that takes place in “venues that we have not usually considered sites of social movement action” (Zald 2000:6). With the suggestion that we trace ideology to

movement action that takes place *within* the polity — or that action can be tied to multiple, overlapping, and even conflicting ideologies (Minkoff 2002) — movement research is expanding its sense of how activism can be understood.

Mansbridge and Flaster (forthcoming) describe “everyday activism” in some similar ways, drawing in part on the observation by Taylor and Whittier that “collective efforts for social change occur in the realms of culture, identity, and everyday life as well as in direct engagement with the state” (1995:166). Local currency shares two significant characteristics with the ideas developed by Mansbridge and Flaster. First, the authors argue that “everyday activism” consists of “micro-negotiations” pursued between challengers and powerholders in terms that both parties share; by wielding “selected cultural critiques in everyday life,” everyday activists “challenge hegemonic understandings by deploying some aspects of the hegemonic values themselves.” Local currency works much the same way; indeed, one of the most intriguing aspects of local currency is the way it seeks to use the legitimacy and naturalness of money to work at purposes that cut across that same ease and universality. Second, the overall definition of everyday activist is generally complementary to local currencies:

We define an “everyday activist” as anyone who both acts in her own life to redress injustice (or to advance a policy, broadly speaking) and takes this action in the direction and context of a social movement. In some instances a measurable link with the movement occurs when an everyday activist frames such an action in the language or terms of a social movement. Such everyday activism often takes place in the private, even the intimate, sphere.

The kinds of activities engaged in by such activists, according to Mansbridge and Flaster, are chosen from the variety of cultural products produced by more organized activists: language, symbols, and other means of persuasion in the movement repertoire that more professional or full-time activists have generated. Broadly considered, engagement with local currency works similarly: Local currency is meant to be integrated into normal, daily routines and activities, and requires a significant project of meaning-making on the part of organizers.



However, the routine challenge constituted by local currency also departs from Mansbridge's and Flaster's conceptualization in an important way: while their activists are generally disconnected from organized movement activity, users of local currency are explicitly part of an organized effort within their communities. This is in part an imperative of functional local currencies that depend to some extent on active management and member mobilization. And in most programs, it is by conscientious design that local currencies mark a specific kind of relationship between users and their communities.

"Routine challenge" is not intended to mean "easy," but rather is meant to suggest two categories of activity: the first is a challenge that comes through what is at least a partly institutionalized mode of action. The "movement society" arguments made by Meyer and Tarrow (1998) capture some of this first category with the idea that what were once highly extrainstitutional social movement tactics have become routine — even mundane — ways of asserting claims. The second category is less well-known, and has to do with the use of existing well-understood, embedded kinds of activity for new, challenging purposes. Such challenges are not unstudied in social movements: The strategic voting movement (Earl and Schussman 2001, Schussman and Earl 2004), for instance, involved the repurposing of a highly institutionalized activity — voting — to achieve extrainstitutional goals. Activists who wish to reform the American electoral process don't need an entirely new system to facilitate voting, because, as some strategic voting advocates suggest, they can simulate an instant run-off election by coordinating the efforts of voters *acting within the existing system*. Open source software production is another example of an activity that is on one hand routine — writing code, marketing software products, offering support — and on the other hand is seen by some participants as having revolutionary social and economic implications (e.g. Lancashire 2001). What all of these cases offer is a pre-existing set of tools, definitions, organizations, and markets within which people can act.

These activities are important for movement scholars to think about in more detail because they have so much bearing on institutions in which people live and act every day. Just as extrainstitutional activism has a cost that participants must overcome,

activism in these contexts may add cost to one's regular routines and as such may be expected to face a particularly high bar for generating participation. Research in organizations confirms the movements perspective that the most familiar institutions, those most embedded in routine action and most linked to other powerful institutions, are also the hardest to transform (Jepperson 1991).

Moreover, such challenges have been overlooked by social movement scholarship, which generally defines activism as taking place explicitly *outside* of institutional forums. Zald (2000) emphasizes this point in his discussion of protest-centered social movement analyses; it is an issue taken up further in most attempts to systematically count or track movements, where non-institutional activity is measured, for example, by news accounts (e.g. Earl et al. 2003, Giugni 2004, Earl et al. 2004, Soule and Earl 2005). Movement research has become quite strong at identifying and making sense of unconventional means of challenge, but we have less to say about activism that looks, in part, like well-understood, routine social activities.

There are a number of important questions that scholars may ask about semi-institutional challenges. One of the significant features of this kind of activity is that it relies on the legitimacy and naturalness of institutionalized routines at the same time it seeks to transform elements of that same institution. So how is such an activity promoted? When a familiar activity is made more costly in terms of time, effort, or economics, how is the increased expense overcome? Addressing this question for the case of local currency involves, first, assessing the particular ways that the use of local money injects new meanings into monetary transactions. After describing in detail the particular departures of local money from conventional money, I use those characteristics to further develop the processes of ideologically structured action and everyday activism.

#### (Re)-Conceptualizing money

What all of these perspective on activism share is a concerted attention to the ideologies and symbols that guide participant' behaviors. Motivating action around money requires local currency organizers to engage in a significant project of redefinition and

explication.

Carruthers and Espeland (1998) provide a framework for the systematic analysis of money and its meanings, arguing that four key characteristics shape our understanding of money: its source, both proximate (concerning the immediate transaction) and ultimate (concerning the authority of its creators and the broader money system in which it functions); its future flow, which has to do with where money's use is appropriate, or restricted and inappropriate; its mode of valuation, or the ways in which goods and services are assigned quantities of value; and its media, the physical material that makes it up. This framework is valuable because it suggests a way of comparing local currency with other forms of money in more detail. In particular, as discussed below, it suggests ways in which local currency confounds some important expectations about money. Because it renders visible the secret life of money, local currency is more than a novel alternative or complementary form of money, but rather a lens through which we can explore the complicated processes that make up systems of exchange and the institutions that they comprise.

The framework articulated by Carruthers and Espeland (1998) can be used to compare local currency with national money, as shown in Table 5.1. This comparison is not exhaustive, but it makes use of the key elements that Carruthers and Espeland highlight, contrasting them with important characteristics of local currency systems. Further, boundaries between the table's cells are permeable; monetarization, for example, is influenced by relationships between transactors and their understanding of currency's future flow. A discussion of these elements help illustrate some of the meanings that local currency holds for understanding institutions and exchange.

Table 5.1: Key features of local currency (adapted from Carruthers and Espeland 1998)

Source	Local currency	National currency
<i>Proximate</i>	Relationships between buyer/seller	Abstract or defined only in transaction; universalistic relationships
<i>Ultimate</i>	Morally problematic transactions	Common
<b>Flow</b>	Authority of issuer Where can money be used, defined as appropriate or inappropriate	Money represents nation Uniformity promotes wide trade
<b>Monetarization</b>	Meaning and process of commodification and assigning monetary value	Use is amoral; economy is held to be separate Higher threshold on monetarization
<b>Media</b>	The material of money	Commodification is negative Pricing is made by the market, “naturally” Intangible or abstract, distanced from original valuable materials Representative of nation

The characteristics described in Table 5.1 are derived primarily from archival data collected on the 62 local currencies (see Table 4.1 for the full list) known to have launched in the United States. As described in Chapter 4, these data exclude barter-only projects or those that use a Time Dollar (Cahn 2000) system.

#### Source

For Carruthers and Espeland, the proximate source of money concerns relationships between buyers and sellers, as well as the goods or services sold. The authors are concerned with whether the goods bought and sold are morally problematic — such as the selling of blood, sex, or illegal drugs — and note that money used in such transactions is frequently earmarked for purposes that relieves it of moral taint, such as giving it to charity. Recast in terms of the way money functions to facilitate morally problematic exchanges, it seems far more likely for such transactions to take place with a form of currency that enables universalistic, arm's length ties (Uzzi 1997), than with local currency. Even if users of local currency are not tied to one another by direct friendship or even acquaintance, the use of local currency reflects a distinctly different relationship; quite contrary to the depiction offered by authors such as Simmel, local currency symbolizes — in principle, if not in practice — embeddedness rather than universalistic ties. The embeddedness of exchange with local money is illustrated in numerous newsletters, web sites, and mailings that local currency organizations have produced. These materials frequently encourage using local currency for community-building, getting to know one's neighbors, and making friends. As stated at the web site of the PLENTY, a local currency circulating in the Durham area of North Carolina:

Perhaps most importantly, the PLENTY fosters community. Members seek each other out, meet face-to-face, and get to know their neighbors. The PLENTY allows the “small town values” of neighborliness, generosity, and self-reliance to blend with our community's traditional support for diversity, social justice, and responsible development.

This sentiment is echoed in almost all of the media produced by local currency programs: Local currencies “[change] economics from cold, anonymous transactions to friendly, supportive relationships” (Sonoma Hours); they “promote a person-to-person economy” (Arcata Bay Bioregion Hours) and “encourage face-to-face transactions” (Green Mountain Hours); using local currency “helps to build community by enabling people to get to know more of their neighbors” (SLO Hours).

Embeddedness is further promoted by the *ultimate* source of local currency, the community. While national money is symbolic of the power and authority of the federal government, local currency symbolizes nearby growers, merchants, and other participants who together generate the value and legitimacy of the currency. As one issue of the “BREAD Rising Community Journal” (the newsletter of the Berkeley Region Exchange and Development, a local currency organization in Berkeley, California) puts it, “Best of all, BREAD is yours! Unlike federal currency, BREAD is accountable to local needs and concerns.” This community ownership of local currency is another sentiment that is nearly universal, exemplified by the following excerpts:

Many of us believe that our official monetary system acts to draw the wealth out of poor communities, and we have many poor communities in Brooklyn, not to build wealth in them. An alternative currency system seems to offer a chance for a community to have greater control of its economic destiny. (Brooklyn Greenbacks Q&A)

The US dollar operates on a scarcity model based on the accumulation of interest and wealth in the institutions and stockholders of banks and other lenders. This promotes competition, and further leads to a concentration of wealth. CC’s do not rely on debt and interest. Since interest payments on loans and debt transfer wealth from debtors to creditors, the lack of interest on CC’s leads to a more equitable distribution of wealth. When in substantial use in a community, a CC supports community control. Because most CC’s are not commodity-based, they can remain in sufficient supply. And, because CC’s are interest-free, they promote a more equi-

table distribution of money and resources. (Burlington Currency Project)

Madison Hours are community currency, issued by the people of the Madison area to increase our local money supply. Because they remain local, Hours enhance and strengthen the economy by employing a local person each time they circulate, without ever draining away to distant parts of the country or world. Since they have value only when they are circulating, participants should emphasize earning and spending Hours rather than saving them. (Madison Hours)

All policy decisions are made at a monthly potluck open to all participants. This includes decisions about grants to community organizations and loans to small businesses . . . All policy decisions are made democratically. (Santa Barbara Hours)

Who controls the supply of NOCO Hours? The issuance of new NOCO Hours is organized by the volunteer-run steering committee of the NCLCBP but is voted and decided upon by the membership. (NOCO Hours)

There are several important elements of community authority suggested by these quotations. Local money is argued to represent empowerment and is sometimes described as a tool to liberate communities from corrupt or doomed financial institutions: indeed, the emergence of some of the earlier community currencies in the contemporary period, such as “Deli Dollars” and “Farm Preserve Notes,” was a consequence of farmers and business owners who were unable to obtain loans due to sour economies (see Chapter 2). Other materials frequently echo the sentiment expressed in a newsletter from the Tucson Traders project, claiming that federal currency is “running out of breath” because of inflation.

Politics are also laced into these statements. The explicit statements that local currency decisions will be made democratically by steering committees and votes by the general membership underscore the idea that the authority to govern the money is vested in the community members who use it. That user community, then, is in

a position to make decisions about when and where local currency should be used, a set of decisions which themselves may be highly politicized or motivated by moral rather than economic means. Another common element of local currency discussions is the idea that, with local control over the money supply comes “local control of the environmental and social effects of commerce” (SLO Hours). Equity, cooperation, and sustainability are explicitly made central to the mission of local currency.

### Flow

Carruthers and Espeland note that “most exchanges in modern society occur in markets and, thus, are mediated by money” (1998:1394). They argue that in fact the association of money with buying and selling is so strong that money becomes inappropriate in domains that are non-economic — money is usually inappropriate as a gift, for example, except in particular circumstances. Local currencies generate a more explicitly moral economy, according to some advocates. An issue of the Corvallis HOUR Exchange newsletter suggests this:

It is trading a bit of your time and experience for a bit of someone else’s time and experience. In essence, the exchange circle embraces the heart of the community ... Everyone is invited to join in our circle of hands, bringing with them the skill, talent or goods that they would like to share. Together we form the Community Skills Bank, and change the way we do business with each other. Locally we can use HOURS to stimulate a friendlier world: the more people we have personal exchanges with, the more people we can rely on and trust.

This not only stresses the embeddedness of local currency, it suggests that the use of local currency humanizes a local economy, which is quite striking when compared to the sentiment that “money’s natural environment — the ‘economy’ — is held to constitute an autonomous domain to which general moral precepts do not apply” (Bloch and Parry 1989:9).

However, the moral and social economy of local currency is also a restricted one: The currency is only as useful as the “market basket of goods and services” that



can be bought with it (Boyle 2000a:115). Local currency and national currency exist in close but separate spheres, and though they are comparable in value they are not necessarily substitutable.<sup>1</sup> This is of course intentional, facilitating the “local” in local currency. As the web site of the Sound Exchange program states, “this currency is valuable only in the South Sound area. They are made to be spent rather than invested, and enrich our local economy by circulating again and again rather than leaving town after one or two transactions.” Likewise, the SLO Hours program celebrates that local money “doesn’t leave the county; therefore our wealth circulates around us.”

The consequences of this may be far-reaching. Local currency not only acts as a signifier of the community, but marks certain goods and services as being *of* the community. Describing how to encourage use of the Burlington local currency, advocates suggest that the currency can raise the profile of local businesses, make connections in new networks of customers, and, in a variation on earmarking (Zelizer 1994), be used as a way to identify locally-produced goods.

Herein is one of the fundamental tensions of local currencies: local currency may widen the domain of acceptable economic exchange by promoting a moral economy and facilitating desirable exchanges, but it also — by design — simultaneously restricts other opportunities for exchange. The same forces that allow local currency to function as a community-building mechanism also mean that at some point in a chain of exchanges the utility of local currency may run out. Customers may buy locally-baked bread using local currency, and the baker may pay some percent of her assistant’s wages in local currency, but if she cannot buy yeast with local currency then the sphere in which the money is useful to her is sharply restricted. This is precisely why authors such as Douthwaite (1996) argue that local currencies are complementary to, rather than replacements for, national money, and it underscores one of the obstacles that local currency organizers face in recruiting participants, especially businesses that must purchase supplies or materials from outside the community. This sense of being complementary often comes up in local currency media,

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<sup>1</sup>Zelizer (2005) provides a useful discussion of ideas about the commensurability of different spheres of economic activity.

where it is suggested that local currency increases one's buying power (as seen in a newsletter of the Arcata Bay Bioregion currency project) or supplements one's regular income (noted by the Baltimore Hours Frequently Asked Questions). These issues of value and use tie into the next topic of analysis, monetarization.

### Monetarization

Monetarization is the assignment of monetary value to an object. For Carruthers and Espeland (1998) this has important consequences. It defines the object in question as something that can be bought and sold — a definition that can be contentious — and it makes its worth comparable to other objects by virtue of the fact that they also have assigned values.

For local currency advocates, monetarization is positive and enabling; it gives value to work done by unemployed or marginal members of the community, and encourages participants to use their hobbies or pastimes as a way to earn community currency. Community currency newsletters are full of listings from individuals ready to provide their time or expertise to others — in tasks ranging from house cleaning to tutoring to pet sitting, counseling to bicycle repair to gardening — and they almost universally encourage their members to think about their particular talents and offer them to others. As the Santa Barbara local currency project puts it, local currencies

Enable you to make some money doing things that you like to do for as many or few hours as you want to spend. Local currency is an institution that provides free advertising of your skills to other local folks and helps us afford to hire each other.

Most projects explicitly point out that local currency provides a way to earn money from non-career-oriented skills, household labor and hobbies.

The combination of embedded ties and an extended domain in which economic activity is appropriate suggests that local currencies impose a lower threshold on monetarization than does national currency. This is because local currencies provide financial as well as solidaristic rewards for selling as well as buying; per the literature

produced by many local currency programs, circuits of exchange are only completed when people mobilize their own skills and offer something of value back to the community. National currency, by comparison, functions in a market in which the operating assumption is by and large one of maximization, indifferent to the reciprocity that is clearly encouraged by local currency. The founder of the Baltimore Hours program, for instance, notes how the “idea of reciprocal assistance” is a hallmark of local currencies but not of capitalism. Evans (2004:14) uses local currencies to generate new theoretical thinking about the contexts in which exchange takes place, and makes a similar argument when he writes that local currencies are designed “to accommodate a much greater scope of participation” than are traditional, competitive markets. The maximization of cooperation, not the facilitation of competition, is the goal of local currency. As an edition of the “Simply HOURS Directory” (the newsletter of the Columbus, Ohio, local currency) states:

Participants in Simply HOURS keep wealth and resources in Central Ohio, and supplement their income doing work they like to do.

Most important, trading with HOURS fosters cooperation among community members, and encourages people to hire one another for basic needs and services and to negotiate on a more personal level. The system allows those who are unemployed or underemployed to take more control over their economic lives.

This excerpt hints at other important elements of monetarization using local currency: a remarkably positive view of commodification and encouragement of price negotiation. Because local currencies encourage the monetarization of household work and pastimes, it raises an interesting point of comparison with national money. As Carruthers and Espeland (1998) note, monetarization may signal legitimacy: they cite Clemens (1997:209), who makes the argument that for some members of women’s movement, “cash was a criterion of citizenship.” But legitimacy through monetarization also can be extremely problematic, because, as Simmel (1990) argues, it threatens to replace close, identity-based, and intimate relationships with market-based

interactions, leading to increasingly formal and rationalized labor. Monetization of some commodities is further problematic for Carruthers and Espeland because it asserts market imperatives over domains — ranging from household labor to natural resources — that some believe should be sheltered from them (1998:1398).

Local currencies, however, have the potential to change the meaning of monetization, so that the commodification of household labor may be associated with empowerment and not with the loss of identity or personal investment. Again, this is based on the fact that monetization with local currency brings participants into a different kind of marketplace, in which the skills and individual contributions of members are explicitly acknowledged to give the currency its value. It is a “moral marketplace” of the sort suggested by Biggart and Delbridge (2004). The newsletter of the Great Lakes Hours program exemplifies this attitude:

Hours have the potential to create new jobs by connecting local people with those who need their skills and products; to find new customers for existing businesses; and recycle wealth and resources within this region . . . So, take a look at yourself. What are your assets? What skill or goods do you have to exchange and what do you need? Maybe Great Lakes Hours are your answer to meeting your needs, stretching your dollar and helping your community.

Market imperatives are further modified by local currency when it comes to setting prices. Most printed local currencies adopt the metaphor of the “hour,” associating value with the time and labor put into providing goods or services. For example, the May 1996 issue of “HOUR Community,” the newsletter of a local currency in Madison, Wisconsin, states that “each HOUR is valued at \$10 in federal currency.” So, buyers might use an HOUR to purchase one hour’s worth of labor from a gardener or to buy \$10 in goods from the local market. As many advocates note, this strategy also raises the minimum wage. The NOCO Hour of Northern Colorado is similarly oriented to the hourly value of work, as its “About” web page notes: “The NOCO ONE Hour is equivalent to \$20, which is based on the fair cost of living wage in Fort

Collins, Loveland, Greeley and the surrounding area. NOCO Hours bring equity to work and raise awareness in our community about the value of every person's time, skills, labor, and worth."

But hourly valuation is not at all absolute: The point is that the value of labor is made visible and subject to negotiation. The "HOUR Community" newsletter continues:

It is important to recognize that every HOURS transaction is negotiable. If there are reasons to charge more than one HOUR per hour, as high overhead costs, rare or difficult skills, or expensive educational background, a participant may do so. Part of the beauty of the system is that any participant charging more than the standard rate must evaluate and justify the reasons for earning more than others.

Another document, the Green Mountain Hours program FAQ, makes a similar point, but states more directly that the establishment of value is a process strongly shaped by both socialization and practical need:

We have been taught to think that teachers should be paid less than bankers, that store clerks are worth less than psychiatrists, that farm work is less valuable than office work, that female work is less valuable than male work, that black labor is worth less than white labor. But we all need each other to make the central Vermont economy function. Everyone's honest hour of labor has the same dignity.

Nonetheless, it is up to the individuals trading their time and effort to put a value on it. In an ideal world, most hours of labor would be worth one Green Mountain Hour, but the fact is that some people might want two or three or more Hours for their hour of work. A doctor, for example, must collect several Hours each work hour because the doctor and receptionist are working together, using equipment and materials which they must pay for with dollars. Similarly, someone might want more than an Hour for one hour of tough post-hole digging or dangerous tree-cutting work.

Ask for what you think you deserve, and then give good service. (Green Mountain Hours FAQ)

It's important to note that the focus is on negotiation, not an absolute flattening of prices (And this is different from Time Dollar systems that more explicitly set the value of exchanges according to time rather than other market value).<sup>2</sup> Where basing costs on labor isn't feasible or appropriate, local currencies encourage providers to accept local money as partial or as full payment; directories of participants frequently indicate the percentage of local currency that they will accept as payment for goods or services. This allows high-priced and professional providers — such as dentists — to participate in the local economy while maintaining the value of their work. Further, by combining local currency and federal money, merchants who must use the latter to buy supplies or pay for labor can also participate.

## Media

Finally, Carruthers and Espeland consider monetary media, and note that while “money is becoming increasingly intangible” (1998:1396), controversy over money's production and the value behind it were once frequent as exemplified by the contentious debate between bullionists and greenbackers (Carruthers and Babb 1996) and other cases discussed in Chapter 2. Printed local currency makes money material again. It is often produced using locally-made paper, is printed with symbols of the community or region, and references to the things that make it valuable — local community members — are inscribed on it. As Zelizer (2005) describes, “the choice of a medium actually involves commitment to a particular network of social relations, a localized symbol system, and set of transfers.” McGinley (1993) similarly links the iconography of money to highly personal identities and places.

Scanning the notes produced by local currencies illustrates this vividly. The notes tend to be highly artistic, painted in bright colors by local artists and featuring local

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<sup>2</sup>While Zelizer (2005) suggests that time-based systems are the norm for U.S. local currencies, the dollar value assigned to most of those scrip currencies confirms much more flexibility with regard to assigning value to transactions.



Figure 5.1: Currency produced by the Columbia County Hours program

landmarks such as waterfalls, mountain tops, or fields of produce. On them are slogans that reflect the values of the people who use them: “In each other we trust” reads bills from Ithaca; in Gainesville, notes are stamped with “Support the local economy, provide for human interaction;” the REAL Dollar of Lawrence, Kansas, reads, “unlocking our community’s potential;” and Prescott Arizona’s High Desert Dollar reminds the user that “this note is backed by our skill, our time, and our natural resources.” Meanwhile, the Arcata-based local currency is printed on locally-produced paper, and the Kansas REAL Dollar is printed on paper made from recycled blue jeans. Figure 5.1 depicts the “Half Hour” produced by the Columbia County Hours program. In their presentation, local currencies belie the “colourlessness” that Simmel assigned to money.

Although the symbolism of local money — landmarks, cultural figures, locally-made paper, colorful designs — is deeply local and creative, the production of physical media means that local currency creators must at least consider something that federal money systems have long encountered: The possibility of counterfeit cash. Nearly all of the U.S. local currencies pay some attention to the issue of counterfeiting, though a few currency organizers responded to a survey item that counterfeiting is very low on their lists of concerns. The media on which local currency is printed is frequently part of a conscientious plan to make the money hard to duplicate, and most currency programs introduce features that make their bills unique and counterfeit-resistance. The REAL Dollar’s recycled denim-based paper, for example, certainly

makes counterfeiting difficult, as does the bamboo-based paper of the PLENTY. The Sound HOUR was printed on custom-made paper, with a “non-reproducible gradient bar,” serial numbers and embossed marks. The Green Mountain Hours FAQ states that “Green Mountain Hours are printed on handmade paper, using hay and corn leaf, giving them an appearance and texture that are not easily reproduced. They are printed in two colors, making reproduction even more difficult. And every bill has a unique serial number stamped into it in red.”

This issue of potentially counterfeit money is important because it highlights the way that local currency inherits some of the disadvantages of conventional money. With the potential legitimacy of exploiting a familiar form of exchange come the problems of trust — is the local currency offered genuine? — as well as management of inflation. Currency organizers carefully consider how much local money to issue, not only for purposes of effectively managing the local money supply but because production of local money usually has costs in national money.

### Local currency & the work of social movements

Local currency advocates substantially re-cast a number of money’s meanings by fundamentally changing the relationship between buyers and sellers. It creates the possibility for different kinds of transactions, ties users to local rather than to national economies, simultaneously enhances some exchanges while restricting others, encourages monetarization and changes the meaning of commodification, and by its materiality it makes tangible the set of goods and services that underlie the currency’s value. While these shifts in meaning may be potentially empowering, local currencies face significant obstacles to implementation and viability.

In their description of “institutional work,” Lawrence and Suddaby (2006) identify eighteen processes that play a role in institutional work, ranging across the tasks of building, maintaining, and destroying institutions. Significant for thinking about local currency, they pay a good deal of attention to both agency and practice. Their position is that much of the effort to shape and build institutions is rooted in conscientious but not necessarily successful activity of intelligent actors who themselves are



working within a set of institutional constraints. Considering two important axes of institutional work helps to draw out some of the important elements of the re-framing of money in which currency organizers engage, and suggests, more specifically, how acting within institutional contexts can alter those same institutions.

### Disrupting institutions

In particular, organizers provide a rationale for disrupting the conventional money system and to offer an alternative. Lawrence and Suddaby observe that the former of these tasks is especially under-studied, but they offer several possible paths through which institutions may be disrupted: disconnecting sanctions or rewards for institutionalized behavior, undermining moral foundations for institutions, and alleviating the costs of leaving institutions. Local currencies seem little able to do the first of these because they have no coercive power, but their organizers engage strongly in the latter two.

The earlier excerpts from the Brooklyn, Burlington, and Madison currency projects are exemplary of this second type of institutional disruption in that they all describe fundamental characteristics of national money as having deleterious effects on community. National currency “act[s] to draw the wealth out of poor communities” (Brooklyn Greenbacks Q&A), it “operates on a scarcity model based on the accumulation of interest and wealth in the institutions and stockholders of banks and of other lenders” (Burlington Currency Project), and it has a tendency to “[drain] away to distant parts of the country or world” (Madison Hours). Other programs argue that the priorities of those who control national money fail to serve communities: the SLO Hour program, for example, suggests that local currency “is a defense against the forces of economic globalization,” and the North Carolina PLENTY is argued to support local environmental goals that are never served by national money.

Note, however, that this form of undermining a normative foundation looks substantially different from that depicted by Lawrence and Suddaby in that it is a process employed largely by non-elites. In contrast to the elite-driven, top-down shifting of the foundations on which institutionalized practices are based (Greenwood and Sud-

daby Forthcoming), local currencies employ an institutional challenge that much more strongly represents a social movement framing process (Snow and Benford 1988, Snow et al. 1986).

The last disruptive process, relieving costs of shifting institutions, also raises important issues of collective action with which local currencies must deal and that are departures from the general model suggested by Lawrence and Suddaby. The authors' general model departs from their overall perspective of agency and intentionality to suggest that institutional behaviors are undermined gradually as a result of inaction or passivity (such as rules violations in mines, described by Wicks [2001]<sup>3</sup>), or that successfully abating costs is achieved only after a new model of action is shown to be effective (such as new forms of producing radio programs, described by Leblebici et al. [1991]). What seems missing from these accounts of disruption are genuine costs of moving away from a well-understood model of institutional behavior. Discussing the problem of alleviating the costs of using alternative money introduces a practical problem for local currency and suggests a theoretical opportunity for explaining institutional disruption.

The practical problem lies at the core of local currency “work,” and accompanies any reframing of money’s meaning. It is the need to attract and keep participants. The great tension for these tasks is that the ultimate activity of using local currency — the exchange of community cash — adds costs to an already institutionalized activity. Rather than creating an altogether new practice or destroying a functioning institution, local currency changes part of the technology of exchange and tries to redefine certain elements of that exchange, but in fact depends on the ubiquity and embeddedness of money in our daily activities. Perhaps in this sense moreso than any other, then, local currencies truly are “complementary” or counterpart monies; even as their advocates may attack the federal (or international) money system’s deleterious effects on community, they rely — to a much greater extent than, for example, barter or Time Dollar programs — on the ready acceptance of cash as a means of payment. Articulating local currency as a potential solution to the problems

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<sup>3</sup>Davis et al. (1994) similarly suggest a mechanism by which deinstitutionalization is a byproduct of other, unintentional organizational processes

of national money doesn't imply any level of mobilization sufficient to overcome the fact that national money is so much more readily useful.

Indeed, legitimacy isn't enough, especially when an alternative practice brings with it potentially higher costs. As the European Union has demonstrated, adopting a new (or parallel) form of currency is time-consuming, logistically difficult, and contentious; local currencies face the same obstacles, with the added burden that, per the above discussion, they at times *constrain*, rather than enhance, the scope with which one can use money. Limits on resources constrain the boundaries in which organizations can operate, so that even given the ability to claim legitimacy, local currencies nonetheless face competition over resources, members, and attention. And, as research on the implementation of recycling indicates, favorable attitudes toward a new practice are insufficient to generate actual activity (Derksen and Gartrell 1993, Lounsbury et al. 2003). Instead, as movement scholars have found, mobilizing structures are critical. Between the need to attain legitimacy and the complications of actual implementation, local currencies appear to constitute both the practical and political activities proposed by Holm (1995) to be key elements of institutional change. Fittingly, Helleiner makes a similar argument, that the technical capacity to create local currency is insufficient, and must be accompanied by a political project if it is to "facilitate the creation of new conceptions of economic space" (2003:229).

Surveys of local currency organizers suggest that one difficulty they frequently encounter is mobilizing participants. Local currency sometimes appears radical or non-mainstream; one organizer suggested that, to the extent local currency was visible in the community, it was marked by "far out aromatherapy" rather than mainstream goods and services. Although local currency advocates seek to monetize household labor and other unexploited skills, most of them report that, at some point, community currency begins to concentrate in the handful of retail establishments that accept it for full or partial payment. One organizer reports the problem of "drawers full of [local currency]" accumulating in businesses who have trouble redistributing it. The cost of participating becomes too high for those businesses, and local currency is rendered impracticable. Legitimacy, then, is signaled by the availability of

sundry necessities within a local currency system, and that availability hinges on the participation of a sufficient number of participants, who offer a useful “bread basket” of goods and services (Boyle 2000b) and who also complete a potential circuit, or loop, of users. Zelizer (2005) develops an approach to such circuits as the “presence of an institutional structure that reinforces credit, trust, and reciprocity within its perimeter, but organizes exclusion and inequality in relation to outsiders.” At a practical level, for such local currency circuits to function effectively, they must not only reinforce solidarity but provide a means for community money to circulate from large producers back to individuals. Ultimately then, in order to alleviate costs of institutional disruption, local currencies need to present an alternative, a useful system of complementary exchange, at the same time they offer a critique of conventional money.

In other words, local currency suggests that institutional change is at least in part reflective of classical collective action dilemmas: institutional disruption requires a viable alternative with which to assuage the costs of changing behavior. Such alternatives are likely to depend not only on successful framing but on effective project organization. Snow and Benford (1988), for example, argue explicitly that a vocabulary of collective action motives is insufficient without a workable plan for accomplishing objectives. We can take two theoretical implications from this: Discussions of institutional change benefit from considering collective action and social movements, as has been found in other areas of organizational development (McAdam and Fligstein 2003); and the process of institutional disruption can at best be only tenuously separated from the process of creating new institutions.

### Building institutions

Lawrence and Suddaby suggest ten processes by which institutions are built. For purposes of this discussion, I focus on what the authors identify as “normative work,” which they associate with the creation of practices and institutions that *complement* those that already exist. Normative work, they suggest, “relies on cultural and moral force, which is embedded in communities of practice. Consequently, the forms of

normative work all depend significantly on the cooperation of those communities to make real the intended new institution.” In this case, the authors allow a significant role for collective action in the creation of new identities, the formation of new networks of actors, and the reconfiguring of legitimate elements of institutions into new structures.

All of these processes can be discerned in the local currencies described in the first part of this chapter. The last, reconfiguring of existing institutional elements, or mimicry, is most apparent in the activity of local currency itself. Local currency users and organizers exploit the pre-existing legitimacy of cash trade, taking advantage of the “continuity between the innovative new activity and those activities with which their customers, employees, creditors, and others are familiar” (Aldrich (1999:234): The pegging of the value of local currency to some dollar amount reinforces the idea that it has cash value, and indeed *is* cash — wherever it is accepted.

The reconfiguring of money’s legitimate elements to form local currency can be tracked at two levels, one of practice and the other of politics. At the level of practice, local currency encourages a broader monetarization than national money. Indeed, one of the strongest selling points for local currency, that appears in almost every description, is the ability to turn home labor or unmobilized skills into cash. By putting a lower threshold on commodification, local currencies encourage the use of money — itself rather unproblematic — in situations that would otherwise lack it. At the political level, local money embodies the process referred to by Clemens as the adopting of “existing nonpolitical models of organization for political purposes” (Clemens 1993:758). This theme, too, is nearly universal among descriptions of local currency, in which local currency is suggested to be a stopgap against globalization, a way to vest power in a community rather than in a broader system, and a way to serve local social and environmental goals. The use of money itself remains familiar as always, but the meaning is transformed.

Identity formation and network-building go hand-in-hand in local currency projects. At every turn, local currency is offered as a way to “make connections with other people in the community” (Baltimore Hours FAQ), reaffirm commitment to

one's community, identify locally-produced goods, build self-reliance, meet neighbors, and participate in community governance. Network-building is overt, accomplished through frequent pot-lucks, currency fairs, and the production of member directories that identify products or services available from every member of a community currency. This not only facilitates the use of local money, but encourages members to see themselves as fundamental, who add value to the program through their "skills, tools, time, and goods" (SLO Hours).

What remains uncaptured by the normative work of institution-building is the process of establishing an organizational infrastructure or creating a practical system in which new practices can be employed. While the practice of using local currency may be aligned with existing behavior, and community identity and member networks may find support in the activities of local currency programs, these processes to some extent presuppose the existence of an organization to do all this work. Institutional viability does not necessarily imply organizational viability, and vice versa.

### Returning to practice and the problems of organizations

Maintaining those movement projects is in part a question of how community members act on that foundational work. At that level of action, everyday activism and ideologically-structured action again become important elements of local currency. Both of these concepts of movement-related activity allow for the separation of organizational mobilization and movement participation, and both frame some of the use of local currency.

Ideologically-structured action takes as its site of action fairly conventional institutions — political parties and bureaucracies, for example — and posits that action within those contexts can be guided by movement ideologies. Everyday activism, meanwhile, locates everyday interactions as the sites of movement-shaped interaction through the selective deployment of language and symbols. Both of these are informative for local currency: First, local currency injects into highly routinized situations (buying bread, paying a house-painter) an element of "defending and attacking current social relations and the social system" (Zald 2000:4). And as Zald recognizes,

but is made more explicit by Mansbridge and Flaster, that ideological core need not be entirely coherent across participants. In a monetary exchange such as the use of local currency, the fact that a transaction even takes place is an acknowledgement of some kind of shared membership. It is at least partly utilitarian (Jacob et al. 2004b), but also carries some number of additional meanings, which need not be the same for both buyer and seller. Those meanings map closely to those articulated by the currency's organizers, or they may be wildly divergent (Chapter 6 articulates some of these motivations on the part of organizers in more detail). In that flexibility lies some of the general strength of a universal medium of exchange like "real" money, in that transactants need not agree on the meaning of the money's symbol beyond agreeing that it has some quantifiable value.

At the same time, however, the ability of a local currency's users to pick from a range of symbolic meanings that are most personally meaningful — does using local currency reconfigure authority? change the meaning of household labor? confront the Federal Reserve? — may potentially diffuse the overall challenging nature of a movement project. Just as Mansbridge and Flaster note that many women who speak of "male chauvinists" refuse to identify themselves as "feminists" (some, in fact, are quite opposed to that identification), so may local currency users identify with only some elements of a currency program. While this picking and choosing of ideological commitments did no harm, in the view of Mansbridge and Flaster, to the feminist movement overall, it may seriously affect other movements that rely more heavily on higher-cost activities.

This, then, returns to the continuous and active work of organizers to motivate local currency participation as critical to overcoming this possible liability. Successful disruption of embedded institutions, those that shape behavior in such a routinized way as to become what Jepperson refers to as fixtures of an environment (1991), requires more than a resonant, understandable vocabulary; such disruption also requires a means to alleviate the costs of moving away from current, familiar institutions. Institutional disruption of the kind implied by local currency requires a community of participants whose involvement must be maintained in non-symbolic ways. These

organizational processes are themselves shaped by factors that need further consideration. To what extent do components of leadership, organization, and broader institutional climate shape the ability of local currencies to 1) define viable courses of action, 2) mobilize participants, and 3) sustain themselves?

These issues are analyzed in more detail in the following two chapters. The first of these studies local currency organizers as movement entrepreneurs and explores the extent to which organizer characteristics shapes the process of forming and managing currency programs. The second analyses the effects of city and institutional data on local currency outcomes.



## CHAPTER 6

### OPERATING LOCAL CURRENCY

One of the most compelling aspects of local currency is the way that it combines social movement orientations with highly conventional activity, allowing users to engage in an extraordinarily routinized activity in order to promote a counter-institutional set of ideas. As demonstrated in Chapter 5, one important element of this project is articulating new ways of understanding and acting within institutions. This chapter further considers the individuals who seek to re-make money via the organization of local currency. Most accounts of movement leadership suggest the general importance of prior movement experience as a precedent for leadership, though the contemporary salience of a “movement society” (Meyer and Tarrow 1998) and more general “social entrepreneurs” (Lewis 1980) suggest some departures from this perspective. I find here that local currency organizers meet and depart from these expectations in a number of interesting ways. In the process of doing so, I describe in detail the organizers of currency programs, discuss the multiple paths to local currency leadership (and, in some cases, entrepreneurship), and explore some of the problems and tasks that currency program organizers face.

#### Movement leaders and entrepreneurs

There is some explicit attention to the development of leadership in social movement literature, but it tends to be rooted in the structure of movement organizations rather than attendant to the characteristics of leaders, themselves. Drawing heavily on the resource mobilization framework (McCarthy and Zald 1977), for example, Staggenborg (1988) articulates a set of consequences of professional and entrepreneurial leadership as it intersects with organizational form. Marullo (1988) considers some leader characteristics in the anti-nuclear movement, but finds little relationship between

leader histories and movement processes. Further specific attention to leadership does appear in some places, particularly where movement strategy and decision-making are considered: processes of decision-making in hierarchical organizations (Eichler 1977), where leaders are largely independent — though perhaps still constrained by formal requirements from boards of directors or by other organizational imperatives (Klandermans 1989) — may be compared with the same processes in consensus-based organizations (Stoecker 1990, Mushaben 1989, Brown 1989), in which leaders' power is much more explicitly checked.

Just as movement participation has costs and multiple routes to activity (Verba et al. 1995, Klandermans 2004, Schussman and Soule 2005), so does leadership, especially in the early formation of a movement project (Oliver 1984). As (Oberschall 1973:159) notes, movement leaders “have to expend more time, energy, personal resources, and make more economic sacrifices than the followers who subsequently join a social movement when its nucleus is already formed.” Much research on movement leadership finds that prior socialization to political engagement and activism is critical to stepping into leadership positions. Studies of many different movements find that prior experience and broader socialization are valuable precedents to both leadership and, in some cases, movement outcomes (Rejai and Phillips 1979, 1988, Pakulski 1986, Leahy and Mazur 1978, Marullo 1988, Pearson and Langham 1990, Oliver 1984). However, as I suggest elsewhere (Schussman and Earl 2004), prior socialization to activism should not be taken as a necessary prerequisite for movement leadership; rather, varying organizer backgrounds should enable a broader set of movement-oriented projects, especially as the general tools of protest proliferate. The great diversity of political, social, and economic goals of local currencies should contribute to a similar condition for the direction of currency programs, lowering the requirement for prior movement or political participation.

Who organizes local currency?

The survey I conducted with the organizers of local currency programs asked for a range of demographic information as well as more detailed information about or-

ganizers' attitudes toward local currency, their political attitudes, and their history of experience in community, activist, and business activities. This data was briefly introduced in Chapter 4 and is described in more detail here. I will descriptively summarize some key organizer characteristics, and, in the following section, begin to consider them in light of research on movement organizers and leadership.

As seen in Figure 6.1, the age of project organizers at the time of their involvement in the currency project varies fairly widely. While the largest number of organizers were in their 30s when they began their work with local currency, a considerable number of them were substantially older, with 44% of them at least 50 years of age. Descriptively, a couple of things about organizer age are particularly interesting: First, to the contrary of some mobilization literature that posits that *young* people are particularly likely to be involved with movements (e.g. McAdam 1988, Schussman and Soule 2005), only a tiny minority of local currency organizers are in their 20s.<sup>1</sup> Second, the relatively high percentage of organizers who are in their 50s, 60s, and 70s is surprising, for the same reasons that we would expect organizers to be relatively young. Active involvement with local currency appears to skew older than would otherwise be expected, perhaps reflecting a civic sensibility of those who are at the tail end of Putnam's long civic generation (2000) or of the activist cohort identified by McAdam (1989).

Figure 6.1 also illustrates the gender of project organizers. In the sampled set of organizers, men outnumbered women, 20 to 12. For comparison, in the total set of currency organizations (62), 36 organizers could be identified as male, and 26 as female. Men, then, are over-represented in this survey, making particularly strong conclusions about gender inappropriate. It can be noted, however, that *young* men seem to be particularly uncommon among survey respondents.

Organizers are generally well-educated (Figure 6.2), with the great majority of them having at least a bachelor's degree. Of those reporting only a high school education, one reported being a current student. Three other respondents indicated

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<sup>1</sup>This corresponds with the survey finding of Jacob et al. (2004b), who find Ithaca HOURS members to have a median age of 40, and that more than half of participants there are old enough to have school-age children.

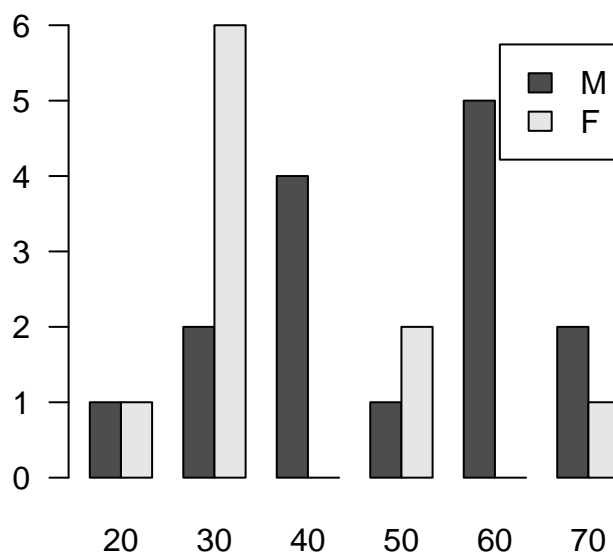


Figure 6.1: Organizer age (decade) and sex at time of involvement

that they were in graduate school, and others reported a wide variety of occupations. The sample contained retirees; publishers; a bookstore owner; counselors, therapists, and massage therapists; a newspaper editor; a landscaper; a substitute teacher; computer technicians and programmers; one pizza deliverer; and a jack-of-all-trades who worked in computers, carpentry, and electrical. Eleven of the survey respondents (42% of those who listed an occupation) reported being self-employed.

Organizer household income is fairly broadly distributed, as shown in Figure 6.3. The mean household and individual incomes are \$36083 and \$20260, respectively. Among survey respondents, 8 were their household's sole income earner at the time they began their work of organizing local currency. In the cases where organizers were not the sole earner, others in their household appear to have contributed substantially: the mean income above and beyond that of the individual organizer is \$27357.

My survey also asked organizers about the length of time they had lived in their community. Would organizers be highly embedded community members, or more transient? Figure 6.4 illustrates the distribution of community tenures among organizers, and suggests some interesting characteristics. While both the mean and median community tenure are approximately 9 years, this seems to be influenced by

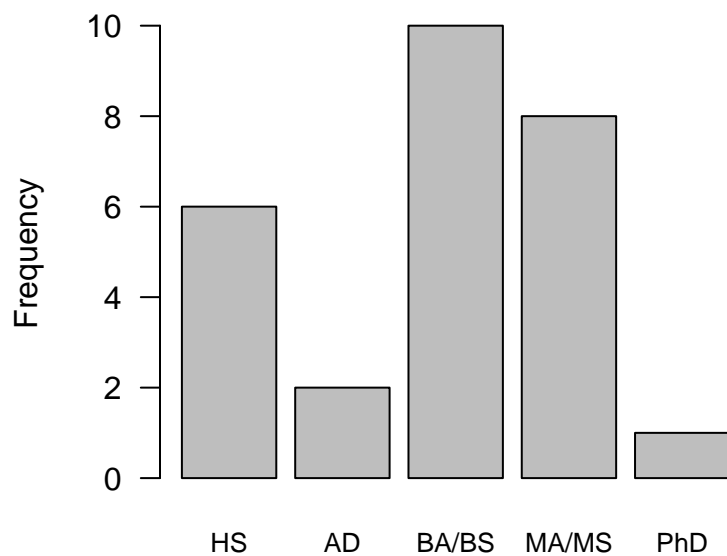


Figure 6.2: Organizer education at time of involvement

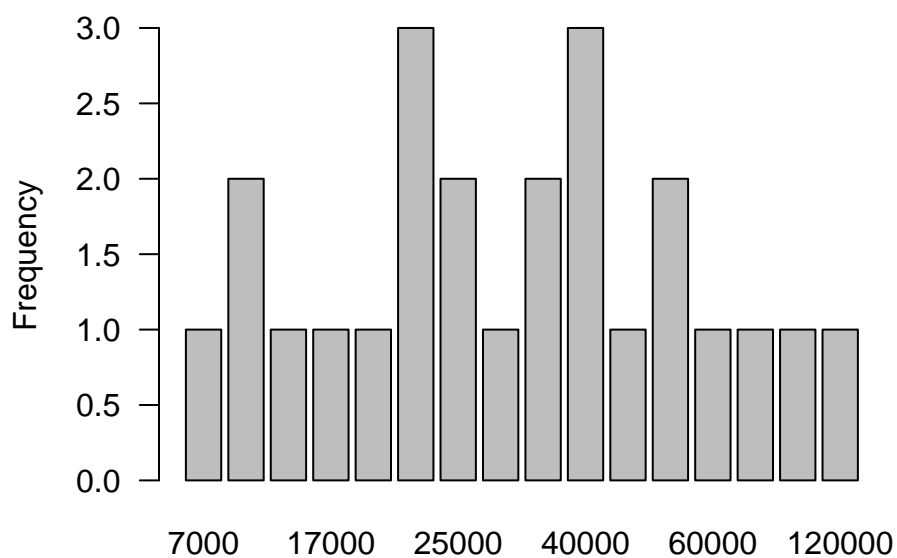


Figure 6.3: Organizer household income at time of involvement

Table 6.1: Organizer political party identification

Party	Frequency
Democrat,	6
Green	13
Libertarian	2
Republican	1
Independent	3
Other	2
NA's	5

the handful of organizers who are very long-term local residents, having lived in their communities for 19, 20, and 35 years. Those who were relative newcomers to their communities, however, tended to be clustered more tightly between 2 and 5 years. Just 3 organizers had spent fewer than 2 years in the area before beginning their work with local currency.

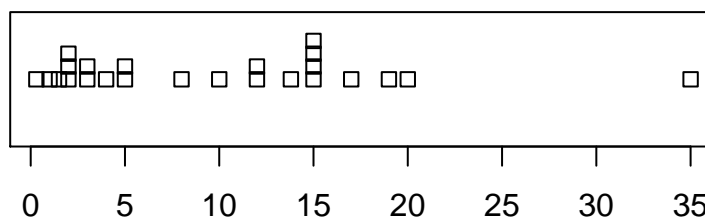


Figure 6.4: Organizer tenure in community (years) at time of work with currency

Project organizers were, perhaps not surprisingly, generally liberal in their political leanings (Tables 6.1 and 6.2). Most who affiliated with any political party professed to be Greens (13 organizers), which coincides well with Helleiner's (2000) discussion of local currency and Green Party politics. This number actually under-counts "green" affiliation, because respondents indicated affiliation with other varieties of the Green Party. As Table 6.1 indicates, Democratic party affiliation followed (6 organizers). Though few in number, Republican and Libertarian affiliations were also expressed.

Table 6.2: Counts of organizer political orientations

Orientation	Overall	Economic	Social
Very liberal	18	10	17
Liberal	5	8	6
Somewhat liberal	2	2	2
Middle-of-the-road	1	2	0
Somewhat conservative	0	1	0
Conservative	0	1	0
Very conservative	0	1	0
NA's	6	7	7

These affiliations coincide generally with the actual political views expressed by survey respondents. While organizers self-reported being very liberal overall, that orientation was tempered slightly on the subject of economic perspectives, where far fewer respondents reported themselves to be very liberal, and a few marked themselves as conservative or very conservative.

On a data recording level, these questions elicited some contention from survey subjects, many of whom were reluctant to categorize their political views discretely, resulting in several uncode-able values (hence some missing values in the tables). On general political views, for example, one respondent characterized herself as “very creative and community minded;” the same respondent replied to the item on economic views that “the fed. gov’t has stolen the U.S. treasure and high-jacked the military [sic].” Another described himself as “beyond liberal,” perceiving the economy from the perspective of an adherent to the “workers movement.” Sentiments such as these were not uncommon, scribbled into margins of the survey even when respondents also marked themselves into a given category of political orientation.

### Becoming an organizer

Survey respondents all gave interesting accounts of the process that brought them to local currency. A number of them were community activists, broadly speaking, and

saw local currency as an opportunity to advance those causes.<sup>2</sup>

I have been interested in community currencies since about 1994 when I saw an article by Thomas Greco on LETS systems in *The Permaculture Activist* magazine. For several years I studied the different forms of community currencies to see which kind might work in [my community]. In 2000, my husband and I began publishing a monthly alternative newspaper. I decided that this would make it easy to print the list of people who accept the currency. (Survey no. 2)

I was friends with the person who had the drive and passion to see this currency project become a reality. My own interest as well as history as a community organizer, involvement in consumer cooperatives, and artist cooperatives led me to get involved on the founding committee. (Survey no. 15)

I was co-founder. It started with conversations at a weekly coffeeshop salon I was running. (Survey no. 5)

Relatedly, others were part of community organizations that were interested in local currency:

I was President of the [community organization] which initiated the [project]. (Survey no. 6)

The organization I work for decided to spearhead the effort and I was the staff person chosen to lead the project. (Survey no. 4)

[We] convened a currency conference in January 1996. Out of conference was launched several projects, and people congregated around those in

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<sup>2</sup>Note, however, that not all currency organizers were interested in local currency as a route to social movement objectives; as one organizer explained to me in a preparatory interview, local currency was a strictly economic pursuit, a way to expand business opportunities and provide a marketing strategy for local business. Even by a relatively broad definition, that perspective — and that of, for example, proponents of the “Liberty Dollar” — is markedly different from the liberal-leaning politics and motivations of most currency organizers. See later discussion of organizer rationales for more on this.



which they were interested: CSA, land development, abused kids. One group organized around creating a local currency. I got involved ... out of the research I emerged as a coordinator. It took four or five months, launching in July. (Survey no. 23)

In a few cases, surveyed organizers were not involved with the founding of the local currency, but rather were members or assisted the project in other ways before signing on as an organizer. “I was involved at time of transition from LETS-style project to a scrip currency” (Survey no. 31), wrote one respondent, who ended up taking the reins of an organization in transition. Other respondents had similar accounts:

My wife began organizing the local currency in 2001. I became involved in various projects (buiding the database, writing bylaws) and eventually became a principal by the time we incorporated. (Survey no. 30)

I started going to the meetings — there were only 2 - 4 other regular attendees. I’m a computer programmer, so it wasn’t long before I started doing various computer work to support GMH. Eventually I built a database that contained our service directory. (Survey no. 12)

As part of a redesign of the organization that our class suggested, an expanded Board of Directors was advised. I was nominated and voted onto the BOD based on my work in the class. (Survey no. 17)

Other responses to this question bear out the centrality of the pioneering Ithaca HOURS program to future local currency development. Several organizers reported seeing slide shows at community meetings about Ithaca’s program — Paul Glover has long sold a “Hometown Money Starter Kit” to prospective organizers — and being captivated by the idea. Nearly every organizer surveyed (26) reporting seeking advice or guidance from other, established programs; in all of those cases except for two, Paul Glover or Ithaca HOURS was on the list of people or organizations they contacted. Many organizers also reported getting help from the E. F. Schumacher society or people affiliated with it, and about half reported seeking assistance from other projects either out of prominence or geographic proximity.

Table 6.3: Rationales for local currency, ranked by respondent in order of importance

	Rank			Percent	
	1	2	3	Total	First
<b>Personal</b>					
Minimum wage	1		4	5.62	1.12
Un/Under-employment	3	6		10.11	3.37
Community building	8	3	6	19.10	8.99
Big box stores	2	1	4	7.87	2.25
Globalization	4	1	1	6.74	4.49
Environment	1	9	1	12.36	1.12
Business opportunities	4	4	7	16.85	4.49
Corruption	1	1	2	4.49	1.12
Economic stability	4	4	3	12.36	4.49
Other	3		1	4.49	3.37
<b>Presented to others</b>					
Minimum wage		2	3	9.80	
Un/Under-employment	2	2	1	9.80	3.64
Community building	7	1		15.69	12.73
Big box stores		1	3	7.84	
Globalization	2	3		9.80	3.64
Environment	1	1	2	7.84	1.82
Business opportunities	3	4	3	19.61	5.45
Corruption		1	1	3.92	
Economic stability	1	2	2	9.80	1.82
Other	1		2	5.88	1.82

In addition to their general accounts of their involvement with local currency organizing, respondents answered questions about their motivations for their involvement. Table 6.3 displays the motivations offered by my survey respondents, ranked by importance to respondents. The table lists the frequency of each rank, per category; it also and displays in the final two columns the overall percentage of each category, and the percentage of “first” ranks given to each category.

In the first group, respondents indicate their own personal motivations for supporting local currency; the second group lists the rationales they used to promote local currency to others, in the event that those rationales were not the same. A total of 19 organizer respondents indicated that they did not use precisely the same rationales to explain local currency to other community members, such as local businesses. Figure 6.5 illustrates the differences in rankings, and suggests some differences between personal rationales for local currency and rationales expressed to others. The differences in overall rankings (Figure 6.5A) are interesting. Where there is a difference, organizers emphasized minimum wage benefits, anti-globalization motives, and increased business opportunities, while de-emphasizing community-building and environmental characteristics of local currency. This seems rather sensible given what many organizers repeatedly stressed in surveys, that local currency success hinges in large part on its acceptability to retail and business organizations. Differences in first-place rankings (Figure 6.5B) are also interesting: Most noticeable is that, where there are differences, organizers stressed to outsiders a higher degree of local currency’s community-building potential and placed a slightly higher emphasis on business opportunities; at the same time, those who identified a different set of internal and external rationales de-emphasized minimum wage effects, big box stores, and corruption as first-place rationales.

Finally, organizers were asked to indicate their experience in a number of civic, political, activist, and business situations. Respondents were instructed to mark whether they had been involved with a set of activities either ever in their lives, or within the two years before their becoming involved as a local currency organizer. These survey items, many of which were based on the civic skills and experience items

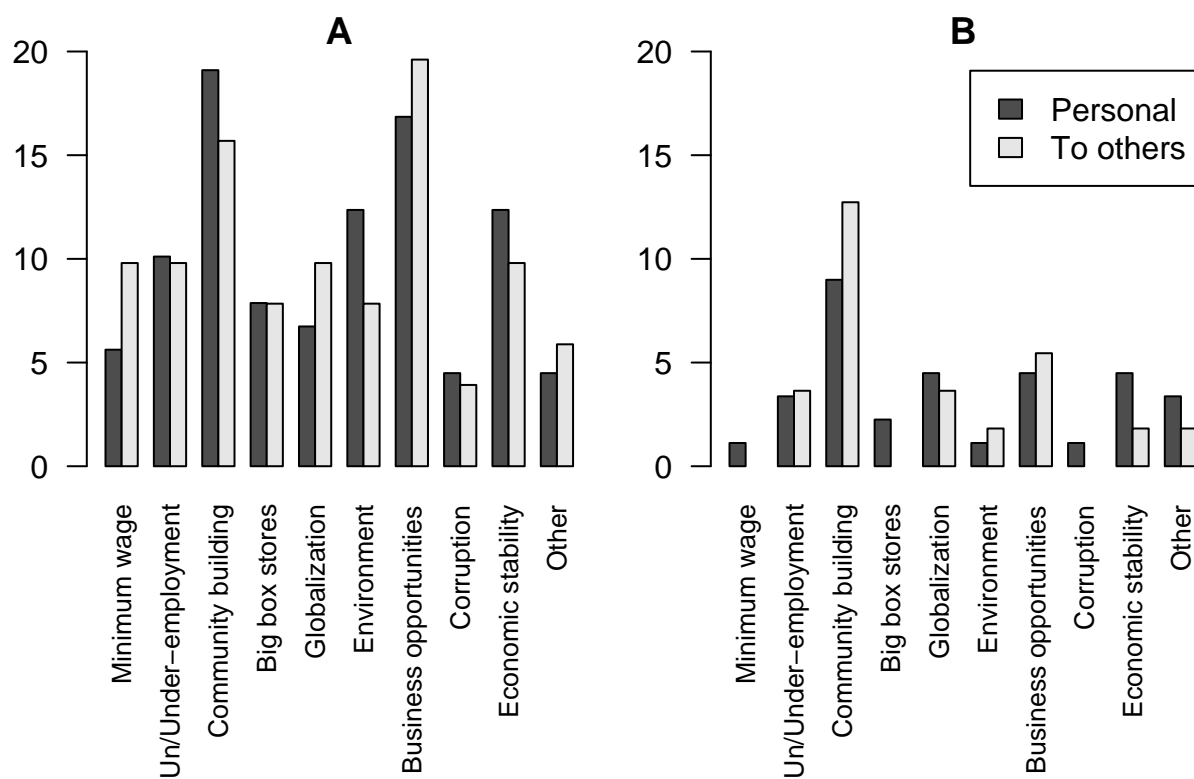


Figure 6.5: Organizer rationales for local currency, frequencies (A: Overall rankings; B: First-place rankings)

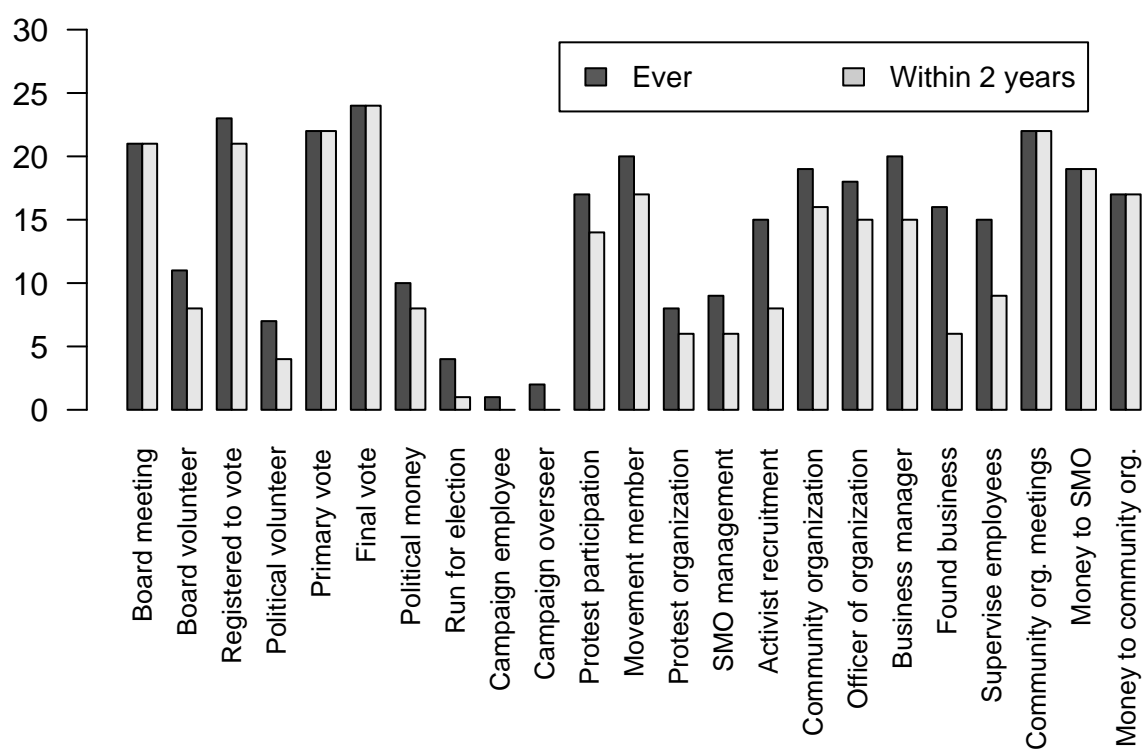


Figure 6.6: Organizer experience prior to local currency leadership, frequencies

asked by Verba et al. (1995), were intended to assess the various specific experiences that might precede local currency leadership. Figure 6.6 illustrates the frequencies of each such experience. From these counts, a picture of organizers as active community members emerges. A full 75% of organizers reported voting in the prior two years, and nearly as many reported participating in primary elections. 44% reported having participated in a protest within the prior two years. Even accounting for different subject time periods, this is a remarkably high number. Compare currency organizers, for example, to Dalton's (2002) reported protest rate of 25%, Norris's (2002) 15%, and the sub-6% protest rate found by Verba et al. (1995). Organizers were outstanding civic participants in other ways, as well. They were frequent attendees of public and community organizational meetings (66% and 69%, respectively), frequently served as officers in community groups (47%), and gave money to movement organizations (60%). Reflecting a not-unexpected level of business entrepreneurship, local currency organizers also tended to have a substantial amount of business experience. Half of them had founded a business at some point in their lives (6 of which were in the prior two years), and 62% had managed a business.

By comparison organizers' political organizing experience was less broad, but not negligible. 28% of respondents had previously led a social movement organization of one kind or another, and nearly as many had organized one or more protests. 22% of organizers had volunteered for a political campaign, and a few had formally worked for a candidate for office. A surprisingly high number (4 organizers, about 13%) had run for elected office themselves.

### Paths to leadership

To explore in more detail the relationship between organizer experience and local currency work, I assembled truth tables (Ragin 1987) that describe the various conjunctions of experiences that precede organizers' activity with local currency. Truth tables are a way of identifying the sets of discrete combinations of dichotomous independent variables that are present in a data set.

Civic	Leadership types			Low-intensity participation	Protest participation	frequency
	Political	Movement	Business			
—	—	—	—	*	—	2
—	—	—	*	—	*	1
—	—	—	*	*	*	1
—	—	*	*	*	*	2
*	—	—	—	*	—	2
*	—	—	*	—	—	1
*	—	—	*	*	—	3
*	—	*	*	*	*	9
*	*	—	*	*	*	1
*	*	*	—	*	*	1
*	*	*	*	*	—	1
*	*	*	*	*	*	2

Table 6.4: Truth table of conjunctions of organizer experiences

Table 6.4 summarizes the frequency of each combination of organizer experiences.<sup>3</sup> It is generated by aggregating categories of participation as follows: civic leadership combines serving on community boards, managing community organizations, and serving as an officer in such organizations; political leadership combines running for political office, working formally for a campaign, or helping to run a political campaign; movement leadership combines organizing protests, working for or managing a movement organization, and recruiting activists; and business leadership combines managing a business and supervising employees. “Low-intensity participation” is meant to capture the variety of “paper membership” activities that are generally expected to be more common on the part of most members of social movement organizations, and it combines attending community board meetings, registering to vote, voting in a final election, attending meetings of other community organizations and donating money to political, movement, or community organizations. Finally, “protest participation” represents any prior experience with protesting, and is broken out from the other categories because of its presumed higher cost than more mundane political, civic, or organizational engagement.

<sup>3</sup>Note that Table 6.4 excludes six cases where organizers left the experience items blank.

Reading across each row in the table, \* symbols mark the presence of each category of experience, and multiple \* symbols on a row indicate a conjunction of factors, given with a total frequency in the final column. The first row, for example, indicates that two local currency organizers had prior experience that consisted solely of low-intensity activism. By comparison, the final row in the table indicates that two organizers reported experience in all five categories. The table paints a revealing portrait of local currency organizers. First, there is no clear pattern of “pre-requisites” for currency organization. Lacking prior leadership experience, for example, did not preclude individuals from working with local currency. The closest to a ubiquitous characteristic was low-intensity activity, which was present in virtually all conjunctions of factors; the two organizers without such experience had previous history both business leadership and protest, and business and civic leadership, respectively.

The next most common characteristics were a history of business management experience, civic leadership, and protest experience, with 9, 8, and 7 organizers having experience, respectively, in each category. One of these three sets of experiences was present in all but a single situation, and all three appear together three times. Put another way, twenty-four of twenty-six organizers described by Table 6.4 had one of these three varieties of experience, and twelve (nearly half) had all three. The very high prevalence of business and general civic leadership experience, as compared with movement-specific leadership (next paragraph) is interesting: it suggests the malleability of leadership experiences from one context to another. Especially where civic or business experience appear without additional movement experience, as they do in the case of seven organizers, then local currency organizers may be thought of as departing from the movement-centered socialization to leadership that is frequently expected of organizers in other situations (e.g. Rejai and Phillips 1979, 1988, Pakulski 1986). Nonetheless, a broad swath of organizers still seem to have a history of protest-related activism in conjunction with other factors. Finally, the high general occurrence of business experience is illuminating by itself, suggesting a very literal history of entrepreneurship on the part of local currency organizers. In a pursuit like local currency, oriented as it is toward commerce, a high incidence of business



experience is not surprising.

Next is movement leadership, which would generally be expected to appear frequently as a predictor of activity of this type. This expectation somewhat is borne out in this case, with fifteen local currency organizers having some amount of prior movement leadership experience. What is noteworthy, however, is that movement leadership never appears by itself. It always appears with general activism — not surprising by itself — and is combined with business leadership in four of five conjunctions. It appears four times in conjunction with civic leadership, as well. Moreover, the set of civic, movement, and business leadership, plus general activism, is the single most common condition in the entire table. By this measure, local currency organizers are remarkably highly-experienced with different varieties of community engagement, with nearly one out of three possessing a very broad prior repertoire. Interestingly, just one organizer had movement leadership experience absent a history of protest.

Institutionalized political leadership is the single leanest category of organizer history, but it is not insubstantial. Five of the twenty-six organizers described by Table 6.4 had prominent prior roles in political campaigns, up to and including having run for an elected position in their communities. Two of those organizers had experience with all four types of prior leadership.

As noted earlier, the most common conjunction of organizer histories is also one of the most complex. Nine organizers fall into the category that spans civic, movement, and business leadership, plus general activism and protest. Moreover, only a few organizers (6 total) came to their role with just one or two categories of prior experience. Based on this, it can be said of organizers that there is no single, simple path to working with local currency; at the same time, the presence of a few organizers with minimal experience confirms that local currency leadership is not precluded by a lack of extensive activist or leadership background. To explore further the relationship between organizer characteristics and currency projects, I constructed a second truth table of these background categories and the rationales for currency organization presented in Figure 6.5. The very large resulting table is omitted here;

no particular conjunction of rationale and organizer history appeared more than a single time, except for that of civic, movement, and business leadership, plus general activism and protest, conjoined with a desire for community-building — this conjunction appeared four times, not unexpectedly as it is the most populous category overall. Otherwise, no sets of conditions stand out as prominent explanatory paths to currency leadership.

What does all of this suggest about the fit of local currency organizers into general expectations about movement leadership? It can be said that currency organizers have a high level of prior civic, movement, and political experience — and that, therefore, they confirm some conventional expectations about movement leadership. As numerous authors have suggested (e.g. Pakulski 1986, Rejai and Phillips 1997, Leahy and Mazur 1978), both socialization to leadership as well as broader activism are important precedents to stepping into movement organizer roles. To this perspective, local currency organizers add a significant complication, insofar as they are not exclusively brought to currency leadership via other movement-related activity. For example, those organizers who reached their positions of leadership via civic organizations and business management mark a departure from expectations of more specific movement-centered backgrounds. While certainly entrepreneurial, such organizers are not “movement entrepreneurs” in the way we might normally expect. And, unlike Lewis’s (1980) “public entrepreneurs,” they need not be particularly political — or at least not in any necessarily predictable way, as the presence of several conservative organizers would suggest. Some local currency organizers would confirm this by their assertions that local currency is, for them, primarily a tool of business opportunity or economic stability. It need not be employed as a tool for social change so much as a mechanism for creating larger markets and increased opportunities for income. Local currency as a general tactic for multiple goals, then, would allow for a highly heterogeneous set of participants and organizers — with the constraint no longer being one of ideological socialization, but, if anything, a need for any of a broad range of organizational capabilities. (Which are explored further, below, in discussion of specific obstacles faced by organizers.)

As entrepreneurs, currency organizers do bear some resemblance to the kind of organizers discussed by Staggenborg (1988), in that they are generally not career activists and most of them continue to work as volunteers on the projects they organize (Only 5 of the 32 surveyed organizers report receiving any payment for their work). However, contrary to Staggenborg's picture of movement entrepreneurs, over two-thirds of projects adopt some sort of formal governance structure — either program officers or boards of directors — and 11 programs incorporating officially as a not-for-profit or other formalized organization. In doing so, they strike an interesting middle ground between Staggenborg, on one hand, and McCarthy and Zald (1977) on the other. They remain both highly active themselves but also generally establish enough formal structure to give their organizations some endurance and legitimacy. And, in cases where the local currencies fail to sustain themselves, organizers tend to work with them for project's entire lifespan.

#### Problems and issues that organizers confront

Regardless of the paths they take to their positions within local currency projects, organizers confront a number of common dilemmas. As described in Chapter 5, some of these dilemmas involve the re-making of money through processes of framing and shaping approaches to everyday activism. But many significant obstacles are organizational and practical in nature, having to do as much with framing as with mobilizing participants and tracking the movement of currency. A number of these issues became salient for most currency projects, regardless of organizer experience; this provides a counterpoint to arguments made by Schussman and Earl (2004) and Earl (forthcoming), where it is suggested that leader history makes some aspects of project organization more relevant than others. Technically-savvy strategic voting organizers, for example, were much more likely to pay attention to privacy policies than were more traditional activists who made the leap to online organization.

As opposed to online organizing, where costs to participate and manage the project are low, and organizer history seems to have a strong effect on the tasks that are salient for organizers, the managers of local currency programs seem to face a broad set of

obstacles — or “leadership tasks” (Earl forthcoming) — largely in the same ways. Despite broad heterogeneity in backgrounds of organizers, local currencies tend to pose many common hurdles to sustainability and efficacy.

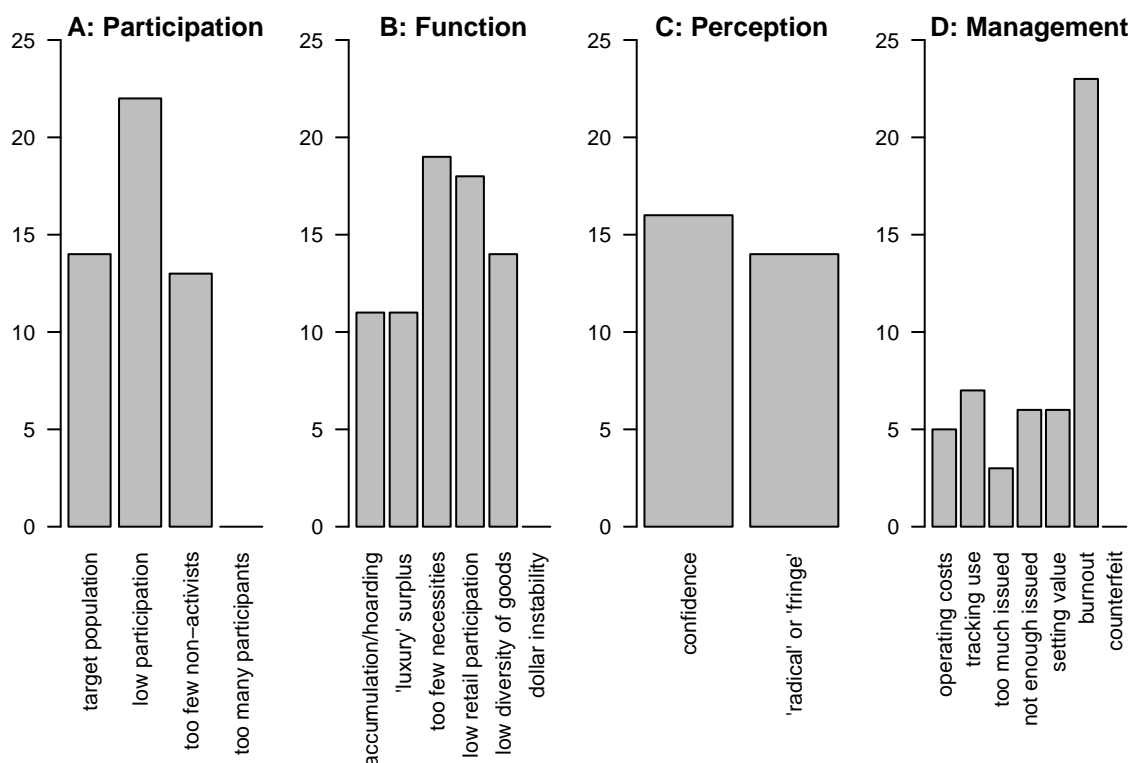


Figure 6.7: Self-reported problems for currency programs (percentages)

These problems are revealed in detail in two ways: survey data on significant issues identified by organizers, and mailing list archives of discussions of problems that circulated among project organizers. The first of these sources helps to give a broad overview of issues that organizers confront; the frequencies of reports of a set of problems is illustrated by Figure 6.7. Problems are broken into four general and permeable categories: those having to do with participation and mobilization; issues of currency functionality; problems of how the currency is perceived and understood; and problems of management and internal organization. These categories are permeable in the sense that some issues fail to fit cleanly in a single grouping. Issues of functionality, for instance, are inextricably tied to participation; for example, a lack of some goods

and services is at least partly a function of lacking a critical mass of participants in a given currency project. The second of these sources, the mailing list archive, was assembled and organized by an individual at the E. F. Schumacher society, and is very much a convenience sample. Nonetheless, the mailing list provides a number of rich illustrations of many of the issues raised by organizers in the survey. Some issues are also given a more elaborate discussion by organizers as the conclusion of the survey, where I asked them to share any other information that they thought was important.

The first set of issues have to do with participation. Organizers were continually concerned with how to drive the use of their currency and how to reach the right constituents. It was not unusual for organizers to make remarks such “While the project was well received in the community, the primary response was curiosity & confusion” (ML #17). Sentiments such as the following were also common:

We had all invested so much energy in the venture that we didn’t want to accept that it wasn’t accomplishing the goals we stated in our grant proposals. We kept hoping that if we pushed it for another year, it would gain momentum and reach a critical mass. (Survey no. 9)

There is critical mass necessary to sustaining a local currency, and it is difficult to achieve. I believe that any successful currency must have a core of very motivated individuals to push the effort to critical mass. (Survey no. 18)

Effectively mobilizing use of the currencies may remain a problem after the recruiting of a substantial number of members, also. Itemizing several coincident problems facing one currency, an organizer writes to the mailing list:

Challenges we face:

- Low rate of trading among members: a high estimate might be \$3,000 worth of [currency] per year.
- Low participation of members in events and activities: We mail and

email invitations to 325 members and have an average turnout of 12 people.

– Low membership renewal rate: Currently 200 of the 325 members have expired, and while we have emailed out renewal letters, 11 people have renewed. (ML #1)

This sentiment was part of an ongoing conversation to which multiple organizers contributed:

As in your case, our member participation has been rather low, especially to judge from our monthly potlucks ... Though our potlucks regularly turned up 15-25 people for a couple of years after we started ... they have dwindled to 5-10 over the last year or two. Our renewal rate has also declined, though we seem to have finally boiled down to maybe 50-70 members who seem to be in it for the long haul, augmented by a small but surprisingly constant trickle of new members which have held our membership steady in the low 100s for the last few years. All tolled [sic] we've had somewhere around 700 or 800 people sign up over the years ... so you can get a sense of what our attrition rate has been. (ML #2)

And,

Our greatest source of frustration/difficulty has to do with often-cited instances of members giving the [currency] low priority when they are contacted by other members. Sometimes, phone calls are not even returned. This seems to be in large part to shortage of personal time and to a lesser degree due to initial resistance/non-practice in integrating local currency into one's day-to-day life. (ML #4)

These excerpts also raise prominently the difficulty of building organizations that depend on active participation, rather than simple membership. For local currency to be sustainable, even with a tremendous amount of work to facilitate exchanges, community members have to use the scrip. Although funding matters to currency

programs, and the organizations themselves depend heavily on the work of organizers to determine strategy and engage in framing tasks, neither the transformative goals of local money nor the simple persistence of a community currency can be realized without members, on the ground, trading the scrip for goods and services. On this subject, one organizer shared an interesting observation with the mailing list: “People seem delighted to accept [the currency], but people seem reluctant to use it” (ML #5). This sort of sentiment was not uncommon: Even with newsletters and regular meetings to facilitate exchanges, from the perspective of any given transaction, local currency is likely to be more expensive in terms of effort and required commitment than would the same transaction in federal money. Another organizer shared that one of his local currency’s frustrations was “finding people who supported the idea of a local currency but who have never spent the four hours they received for joining up” (ML #6).

So while organizations may persist, without active participation they have little consequence; the constant need to attract engaged participants and replace those who have left is a heavy burden for project organizers. However, the problem of member participation clearly extends also to organizational difficulties, as another organizer weighed in to say, “It seems like a lot of us are experiencing similar challenges. Lack of participation and a shortage of funding and volunteers . . . Our weakest aspect has been our organizational structure. We have about 200 members but the vast majority are not interested in helping us run the program” (ML #3).

Issues of *who* participates also troubles some organizers, as reflected by the numbers of responses to items regarding non-activists and the perception of local currency being too radical. (13 and 14 respondents, respectively, identified these as problems they have encountered). As one organizer reported in correspondence with others:

So far it appears the most active members are those who are able to set their own hours because they are either self-employed or have very consciously stripped their lifestyle down to the bare minimum so they don’t need much money to survive. So-called “ordinary” working folks are the ones having the most difficulty because they either don’t feel they

have the tie or they don't see themselves as having a skill (besides what they do for a job). (ML #8)

Multiple issues surely overlap here: While currencies desire to attract unemployed or underemployed participants, and to add income to communities that lack cash, they face difficulty attracting and mobilizing those same people. At the same time, wealthier potential participants "can't find a place for local currency in their lives," wrote one organizer (ML #10). Another observed that one disadvantage of having "largely 'hippy/alternative' types signed up" is that it is tough "to break into the truly low-income and Spanish-speaking communities that we'd like to see it help" (ML #9). This kind of dilemma is reflected in other areas, as well: Many organizers complained that luxury items dominated the market in which local currency was useful. The sentiment expressed to me that "We have too much aromatherapy and not enough clothing and car parts," illustrated a common problem. Nearly every single organizer expressed some difficulty with this sort of 'luxury surplus,' the thin availability of necessities, or a somewhat homogenous set of goods and services available to purchase with their local currency.

Another functional problem emerges where currencies are able to take up some root. The money tends to accumulate at popular places of use, such as food co-ops or restaurants, from which it is difficult to redistribute. Although organizers persistently identify the lack of retail participation as an important hindrance, shops and businesses, and farmers that accept local currency face the problem of re-circulating what they take in. As one organizer noted on the mailing list, "Much of the currency seems to have concentrated in a small number of businesses," and another complained in a survey about "drawers full of cash" piling up at businesses that accept the local currency. Another organizer wrote of a burgeoning membership roster, but also commented that her "greatest disappointment is probably the fact that the money piles up at a few key businesses — namely the local food coop. We are working with them on ways to spend the HOURS they get. We want and need to recruit more bread-and-butter type businesses. This has been one of our biggest challenges."

Organizers had few good solutions to this sort of accumulation. At the NC-



PLENTY program, for example, it was determined that

[A] small number of businesses such as Weaver Street Market, Pittsboro General Store, and the James Pharmacy Restaurant have reported that they are holding large stores of PLENTYs and have not identified sufficient outlets in which to spend them. (LCPLENTY planning document)

To try to address this situation, organizers developed an ambitious plan to construct what they called LOOPS — for “Local Occurrences of Organized PLENTY Spending” — which were intended to be networks of regular exchange organized by program members, in which participants would systematically re-circulate currency. Developing LOOPS required a great deal of organizational planning as well as increased membership participation, however, and the outcome of the effort is unsure.<sup>4</sup>

Another strategy was to motivate as much non-retail-oriented use of the currency as possible. One currency program specifically sought to build a large set of users *without* looking for business members, specifically in order to avoid this problem. Other advice that appeared on the currency mailing list was for community members to seek out businesses owners to whom they could offer something of their own, in order to start the accumulated cash circulating again. This kind of approach depended on a particularly strong commitment to the currency, suggested by one mailing list observation:

The major work with a new currency is to education people on how it works and the need to keep it in circulation. Many people need to be stimulated to be creative in using local currency, just as we have had to educate people on how to barter. People need to re-think values — what is an HOUR? How do they re-think what their time and skill is worth rather than thinking dollars. (ML #7)

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<sup>4</sup>Anticipating both LOOPS and Zelizer’s (2005) “circuits of exchange,” Thomas Greco (Greco 2001:30) develops an “ideal loop” of currency use in which “money is first created by a buyer who issues it to a seller as evidence of value received;” in doing so, the original buyer creates a reciprocal obligation to the community to eventually accept that money in turn. In such a circuit, the currency truly is backed by no authority other than a promise of redemption, retaining its value only insofar as it is used in further exchanges.

In another email posting, an organizer quite neatly summarizes the dilemma of mobilizing both retail and individual members:

But the struggle is indeed enormous when you run the parallel difficulties of getting more businesses involved in order to make the currency easier to spend, and getting more people involved so that the businesses see an economic motivation to start using the currency. Neither wants to face the interim difficulty of a currency which is somewhat inconvenient to us ... (ML #2)

Surveying local currency use in Ithaca, Jacob et al. (2004b:49) reach much the same conclusion, that “businesses ability to find outlets for spending HOURS is a sign of their dedication to the principles of local currency.” Dedicated or not, retail participation seems to be something of a double-edged sword for local currencies: On one hand, it establishes visibility and legitimacy for a currency project to place “Hours accepted” signs in the windows of local businesses. And currencies work hard to recruit business members, generally, but not always successfully, as one organizer commented: “We actively recruited 45 cooperatively run local businesses, 1 joined. meanwhile, 6 of 15 of our current storefront businesses have ceased to take [the currency]” (ML #1) But on the other hand, the cost for local merchants of accepting local money is disproportionately high as compared to other members of the community; not only will they be involved in more transactions than any individual users of the currency, they are also much more likely to depend on materials, goods, or services that cannot be bought with the currency. Moreover, a concentration of money in retail use suggests a potential diminishing of some of the social capital-building objectives of currency programs. These factors combined caused one email discussion participant to urge against “wasting any time” on business recruiting at all, instead recommending a focus on “people who are actually interested in participating in the network” (ML #1). Regardless of focus on business or individual use, the problem of participation was almost omni-present.

Still related to issues of participation are organizer concerns over how local currency is perceived both by its members and community. About half of those surveyed

(16 and 14 organizers, respectively), identified public confidence and the perception of currency as “radical” or “fringe” as problems they had to deal with. To deal with these concerns, organizers frequently turned to some form of formal organization, such as steering committees, boards of directors, or elected offices as a way of projecting an organized, responsible image.<sup>5</sup> Organizations sometimes functioned under the umbrella of an existing community organization (approximately 40% of surveyed organizers reported that this was the case for their currency); these were usually community non-profits or advocacy groups that advocated economic development, anti-poverty programs, or environmental causes, though programs were occasionally sponsored by the local Green Party. As projects of more established — or more permanent — organizations, currencies obtained community visibility more quickly and had larger pools of resources (including ready sets of potential members) to draw on. Formal nonprofit or other incorporation was also a possibility: Eight of the surveyed projects reported having nonprofit status (3 of which obtained this via an umbrella organization). The 11 surveyed programs who had received grants from community foundations and movement organizations could further display that connection as a way of demonstrating legitimacy. It is worth noting, however, that formal organization was not unproblematic. One organizer noted, for instance, a bias *against* receiving grants, arguing on the currency mailing list that “not accepting any for the last four years has given us a freedom unfound in other organizations and we have won the respect of others in the community for being able to speak out without fear or favor” (ML #16) On formal incorporation, another remarked on the mailing list that while she did want some kind of leadership structure that put decisions in the hands of a formally-organized set of people, but that “many of our members are Libertarians, and have offered many good reasons not to submit our creation to the jurisdiction of the state” (ML #15).

The problem of perception was tied in part to how currency projects were framed, as well. As one organizer commented, being motivated by environmental or anti-

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<sup>5</sup>Though as more than one organizer wryly noted, filling an elected office usually amounted to little more than being at a meeting and volunteering. Another mentioned that the Board of Directors was “basically just 5 people who are willing to do a bunch of the footwork.” (ML #2)

poverty causes attracted movement activists, but if those ties were too strong they would push away general community members and the currency would lose critical support. This of course re-connects the thread of currency problems back to issues of function and participation; organizers worked to attract non-activists and project an image of not being “hippy money.” Another participant in the online conversation referred to this dilemma as constituting a “self-fulfilling skepticism” (ML #11) on the part of potential currency users; organizers were forced to redouble their efforts at integrating their currencies within their communities as much as possible.

Overarching all of these issues that organizers deal with are a handful of additional concerns about broad currency management, such as budgeting time and managing resources, trying to watch the use of their scrip, determining how much currency to issue, and maintaining the pace of what was frequently a heavy workload. Some of these management-related problems were temporary, or salient primarily at the currency’s launch. How should the value of the currency be set, for example? Organizers report that this was frequently a contentious issue, because it tended to raise concerns about equal valuation of labor and the negotiability of exchanges, and would be periodically revisited if currency gained broader acceptance.<sup>6</sup>

Operating costs were a common concern, dealt with in part by asking members to “buy in” to membership in the currency by paying a membership fee in exchange for a like amount — and sometimes more than the buy-in amount — in local money, as well as the opportunity to list offerings in the currency newsletter. Although this was occasionally controversial, as a practical matter it was virtually necessary as a way to inject needed federal dollars into the organization to pay for printing costs, advertisements, office supplies, and mailings.<sup>7</sup> And most of the small handful of currencies with any paid organizers or staff (5 and 7, respectively) used federal dollars

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<sup>6</sup>As discussed in Chapter 5, the setting of local currency to some dollar equivalent — The equivalent of \$12 per “hour” for example — could often allay this concern, since most scrip currencies were not aggressive about flattening wages, but rather sought to raise a minimum wage by equating the hour (of work) with a higher value.

<sup>7</sup>It was controversial because it equated membership with having enough federal dollars to pay into the system, and where local currency was applied as a solution to a lack of money, the need to buy in was seen as counterproductive. Organizers also reported occasionally being confronted by disgruntled members who wanted their money back.

to make those payments (frequently in a mix with local money). The Burlington Currency Project weblog remarked on the “Catch-22” of needing money to make local money:

Ironically, I think many of our problems boil down to a lack of money (US\$\$). We don’t have enough US dollars to cover basic startup and maintenance costs for the organization and Bread isn’t circulating at a high enough level that we can pay people in it or use it for our expenses. A financial Catch-22. An organization being run to address a money problem that itself has a money problem.<sup>8</sup>

An organizer of a very large currency project noted in a post to the currency mailing list that its annual budget has grown enormously, and that “organizational costs are a minimum of \$50,000 per year, though we don’t have a sustainable source of income, now that the economy is slower, founders do not have the money for major gifts” (ML #10). The organizer noted that operating costs were higher in the local area than in most places, which is certainly true. As a way to help manage operating costs, mailing list conversations frequently circled around recommendations for foundations, civic groups, and movement organizations that might be potential sources of funding.

Some projects engaged in ambitious efforts to track the use of their currency, but all acknowledged that doing so was difficult. Without centralized accounting as would be found in a LETS or Time Dollar system, precise monitoring of currency use is impossible, leaving many projects to “keep our ear to the ground” (ML #21). Many currencies try to build auditing of a sort into the system, by asking users to record each transaction on the back of the bill, and exchanging it for a new one when it is full. Other attempts at evaluation, as in the case of the survey conducted by Jacob et al. (2004b), are more thorough and systematic. Both the NCPLNTY and Madison Hours programs, for example, surveyed users and tracking the flow of money as carefully as possible, with the intent of using that data to improve their marketing

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<sup>8</sup><http://burlingtonbread.blogspot.com/2005/08/financial-catch-22.html>

efforts and overall effectiveness of their programs.<sup>9</sup>

The most pressing and persistently-expressed problem for organizers comes in the form of simply becoming burnt out and exhausted from their intense work with local currency. Cohen-Mitchell (2000) considers burnout a critical issue, one tightly tied to the structure of organizations as well as the highly heterogeneous set of ideals that guide currency projects. He observes that “Work at the start-up stage tends to be distributed more evenly among members, but as time passes, becomes more the labor of a few individuals.” While a few organizers indicated that their own work with local currency was only an hour or two per week, the mean was 8 hours, a figure which does not reflect earlier startup efforts or periodic times of higher demand. Overall, 23 surveyed organizers (82% of those who marked any problems at all) indicated that fatigue and burnout was a problem for them. One organizer expressed this as follows:

We experienced (as I suspect many systems do) an initial wave of enthusiasm and participation when the project first started, followed by burnout of core organizers, so the Board really seemed to have a critical role in sustaining the project through its leanest times to get it to a place where it could hang on just a bit better. (ML #2)

Interestingly, this organizer seems to see a role akin to abeyance structures (Taylor 1989) for currency organizations’ boards and steering committees.

More poignantly, another organizer (who reported working as much as 25 hours per week on local currency) expressed that “it is very depressing to see an organization fail,” but that she could not sustain the pace of effort necessary to maintain her project. Her hard-won realization was that if she and her co-organizers had understood how much effort, energy, and difficulty was involved, they “never would have done it” (Survey no. 1). While some organizers hoped that having more operating funds would enable them to hire a part time staff-person, 6 of the 8 currency organizers whose programs had ever had paid staff still expressed frustration with burnout. (Where there were paid staff, they worked just an average of 2 hours per

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<sup>9</sup>See for example the “Analysis of January-February 2005 PLENTY Member Survey:” [http://www.ncplenty.org/studies/membership-surveys/1q2005/survey\\_analysis.html](http://www.ncplenty.org/studies/membership-surveys/1q2005/survey_analysis.html)

week.) Another remarked that “the work needed to develop [the currency] has taken a back seat to the administrative maintenance needed just to keep the effort going. As a result, our volunteer core is burning out” (ML #18). Attention to a central set of organizers who could not maintain their initial level of energy was common, as yet another project manager noted:

What happened is that the original group of organizers — about 4-5 of us, with 2 of us doing the most work — just got burned out. We tried to get other folks involved and active, but were not able to do it. (ML #22)

Finally, it is worth noting the three potential problem areas that no organizers identified with: having too many participants, instability of national currency, and counterfeit. The last of these is the most interesting, because while one interview subject shared the perspective that “thieves have better things to do” than to counterfeit local currency, organizers nonetheless spent a great deal of time considering how to make their money authentic and hard to reproduce. As has been mentioned, the actual production of local currency usually requires finding a source of material, making arrangements with a printer, and deciding upon a set of designs and features that will make the money attractive as well as deter the potential of counterfeit. And while counterfeit itself was not identified as problematic, the actual creation of the scrip generated a great deal of discussion, as organizers sought the best sources for hemp paper, unique inks, and printing companies who might share in their vision enough to offer a discount. One entrepreneurial commenter even suggested that “there’s gold to be earned designing Hours for new Hours towns. There is a certain specialized talent involved in creating secure paper currency that’s hard to find. At least, [my] project stalled and lost momentum when I couldn’t find anyone to design the money” (ML #16).

## Discussion

Looking across categories, the problems that organizers confront in substantial numbers tell a fairly straightforward story on the surface: Local currencies confront low

rates of participation, perhaps driven by a lack of necessities available for purchase in the system; organizers work intensive hours to maintain and build a membership sufficient to offer a diverse and appealing set of goods and services while also maintaining the currency organizations themselves. This constitutes a heavy workload on already-busy organizers:

Proper management at even it's [sic] current small level takes a significant amount of time. Since even our current managers must work full time jobs in addition to the project is slows [the project]. A local currency, like any other start-up business, is in itself a full time job. (ML #23)

The dilemma of keeping an organization viable while also pursuing a mission is one of the classic problems of not only movement organizations, but organizations in general. In local currencies, where user participation, rather than straightforward membership, is the cornerstone of achieving that mission, this dilemma seems particularly acute, because of the small groups of core organizers who must accomplish all of the group's needs with resources that are stretched thin. Meanwhile, they must present a mobilizing framing of local currency (the process of meaning-making as discussed in Chapter 5) and give participant-members adequate opportunities to take part in the currency. The stakes for currency organizers are high; they take their role in their movements very personally, and invest large amounts of time and money into their projects, and when those projects founder, as one of the organizers indicated above, they take it to heart.

The problems confronting currency organizers suggest something of a counterpart to everyday activism and ideologically-structured action (Mansbridge and Flaster forthcoming, Zald 2000), which situate challenging behavior within the course of day-to-day life or within institutionalized frames. In particular, they reinforce the idea that these activities may indeed need costly organizational structuring, of which not all organizers will be capable. As such, notions of how routine activities may be turned to new purposes or observed as contributing to significant social challenges seem



to underestimate the still-critical function of organization and mobilization tasks. Studying the industry and practice of recycling, (Lounsbury et al. 2003) and (Derksen and Gartrell 1993) seem to recognize this with the parallel findings that, first, the viability of enabling structures depends heavily on a long-term process of building institutions, and second, that the desire to contribute to a community project is insufficient to overcome structural barriers.

This is a dilemma for the “movement society” in some ways. While the tactics of protest may be somewhat institutionalized, or taken for granted to the extent that they can be easily or unproblematically implemented in some situations, local currency — and any kind of movement that would implement an innovative tactic — may face an unusually high hurdle precisely because those innovations are departures from the repertoire that its potential members and constituents recognize more readily. In other words, while a social movement society may enable new kinds of movements through the ready proliferation of well-understood ways of making claims, it may also bring on an ossification that inhibits tactical innovation.

By identifying the significant “leading tasks” faced by organizers (Earl forthcoming), this chapter helps to establish that, even where activists are plentiful and attitudes toward change efforts may be favorable, movement projects make significant demands on the people who would lead them. Even when organizers have a broad set of organizational experiences and significant levels of resources at their disposal, the actual mobilization of participants in their projects depends on far more than an effective articulation of goals and principles; in the case of local currency, the general heterogeneity of organizers does not seem to ameliorate any particular problems with establishing and managing local currency. The final chapter analyzes in more detail the outcomes of local currency projects, exploring the extent to which projects are able to on the ground overcome some of these problems, and the varying conditions under which those outcomes may be achievable.

## CHAPTER 7

### MAKING LOCAL CURRENCY WORK

As in many movements, the outcomes of local currency projects are hard to observe. Because the actual monetary value of the local currency circulating in any given community is a tiny fraction of that community's overall wealth, the general financial effects of local currency are difficult to measure; even given consideration of the argument that local currency is a wealth multiplier, except in a few noteworthy success cases, local currency is probably best said to have an effect on social capital rather than on financial capital. Jacob et al. (2004b) explore this specifically, finding that in the Ithaca HOURS system the cultural and symbolic aspects of using local money far outweighed the modest financial payoffs. For some scholars, such as Diani (1997), these social capital outcomes are important precedents to building movement culture and, eventually, networks of influence.

Short of the movement's goals of empowerment, self-sufficiency, and community-driven monetary reform, local currency provides an opportunity to test sociological theories of the viability of social movement projects. This is a relatively narrow aspect of the overall study of movement outcomes, but it is an important one: As Cress and Snow (1996) argue, the ability of a movement to accomplish any of its ambitious social-change agenda relies in good part on the ability of the organizations that support it to sustain themselves. Further, and important to the stop-and-go nature of local currency programs, organizations will differ in their ability to establish the sorts of abeyance structures that will serve to mobilize activists after periods of inactivity (Taylor 1989).

This chapter seeks to contribute to our understanding of the ways in which various factors play a role in organizational outcomes — specifically, in this case, the survival and longevity of local currency programs. This is a relevant line of inquiry not only for social movement scholars who wish to make sense of movement outcomes, but

also for those who study organizations more broadly. I argue that, over the course of a movement project's life, the effect of these factors will vary with time. This dynamic approach allows for a more nuanced understanding of the rise and fall of activist movements, and stresses that important tasks and conditions will come and go as organizations move along the path from nascent to established in a community. To pull apart this dynamic process, I draw on the more quantitative elements of local currencies programs, the nature of the organizations that support them, and the cities in which they operate.

Within the field of social movements, there is a significant amount of attention but relatively few conclusions about measuring and predicting movement outcomes (e.g. Diani 1997, Giugni 1998, 2004). Because local currencies have an economic impact that is usually immeasurably small, the consequences of such projects must be evaluated in other ways. McAdam (1988) argues that participation in activism has consequences for longer-term meanings of political and social participation for activists; similarly, Diani (1997) treats network ties and social capital as an outcome in their own right, exploring the extent to which movement activity creates social capital for its participant members and organizations.

These outcomes, while frequently cited by local currency advocates, are indiscernable at the level of analysis used in this chapter. Instead, this chapter will focus on other organizational outcomes suggested to be important by several scholars. Gamson (1990 [1975]) and Tarrow (1998), for example, argue that access to influence is dependent on organizational capacity at important moments in time. Such capacity, according to Cress and Snow (1996), hinges on important organizational resources and is broadly affected by conditions that exist externally to the movement and its organizations (Voss 1996). I consider, via several paths, the effects of these conditions on the abilities of currency organizations to maintain their efforts.

### Evaluating local currency

Unlike LETS systems, which due to generally higher visibility especially outside of the U.S., have received a significant amount of attention, local scrip currencies are rela-

Variables that affect founding	
Variable	Direction
Median age	—
Higher degree	+
% students	+
% married	—
% homeowners	—
% stable	—
Household income	—
% poverty	+
% unemployed	+
% self-employed	+
Variables that affect survival	
Median age	—
Higher degree	+
% students	+
% married	—
% stable	—

Table 7.1: Summary of significant city-level factors (from Collom 2005)

tively under-evaluated (see for example Seyfang 2006b, Aldridge et al. 2001, Williams 1996b). At the local level, both Kalb and Lepofsky (2005) and Jacob et al. (2004b) provide some data on members of the NCPLenty and Ithaca HOURS systems, respectively. Based on economic information on project members, both suggest that local currency, as Kalb and Lepofsky (2005:3) note, “appears to circulate financial wealth among those who already have high levels of access to financial wealth,” and is likely to “serve just as much or more a cultural or symbolic function than a strictly monetary one” (Jacob et al. 2004b:47). Jacob et al. further suggest that in many situations, local currency plays a more significant “role in terms of legitimizing the ideology of community economics” (2004b:47) than in providing truly useful economic resources.

As the broader level, scrip currencies in the U.S. have received even less scrutiny. Collom (2005) is the only extant work to address the broad population of U.S. cur-

rencies, suggesting that the U.S. cities in which local currencies have been founded differ in significant ways from the United States mean. Specifically, he finds that age, education level, college population, married population, population of homeowners, stable residents, income, and poverty and unemployment rates differ in his currency cities as compared to the U.S. population. Collom further argues, based on the local currencies he identifies, that age, education, student population, married population, and percent of stable residents all affect the survival of currency projects in a given location. In other words, he argues that among cities where currencies have been founded, the following all contribute to program survival: younger residents, more educated residents and more students, fewer married people, and fewer stable residents. Table 7.1 summarizes these variable that Collom argues are significant.

Collom's analyses are problematic in some important ways. The first is that the population of local currencies that Collom considers is overly large, and includes projects that I confirmed either never launched or were not actually scrip currency programs. Further, the list of programs considered "active" by Collom includes some currencies that are no longer in operation. This is obviously a substantial difference; as discussed in Chapter 4 the data used in this project assumes a more conservative count of currency programs by requiring confirmation of a project's launch before its inclusion in the data set.

More significantly, Collom's analyses provide relatively little information about currencies themselves, and the comparison of the mean local currency city to the U.S. mean seems rather uninformative. Moreover, the founding of a currency project seems a less interesting event than whatever may follow. My data, in addition to being more accurate in its count of local currency projects, allows for the comparison of explanations at multiple levels of operation: In addition to the macro analysis of city-level factors, by virtue of data gained through my survey of organizers I can also consider the effects of organizational-level variables, in order to adjudicate between different potential explanations for currency outcomes. Namely, to what extent do environmental factors affect local currency projects, versus the effects of factors internal to projects such as resources?

### Exploring different explanations

I consider local currency outcomes on two separate levels. The first is that of the surrounding environment, where the literature on movement participation and political opportunity suggests that characteristics of a population and of the area where a currency operates will shape the ability of the movement project to sustain itself. The second level explores conditions that are more internal to organizations, drawing on the set of organizational resources that Cress and Snow (1996) identify as critical elements of successful movement organizations.

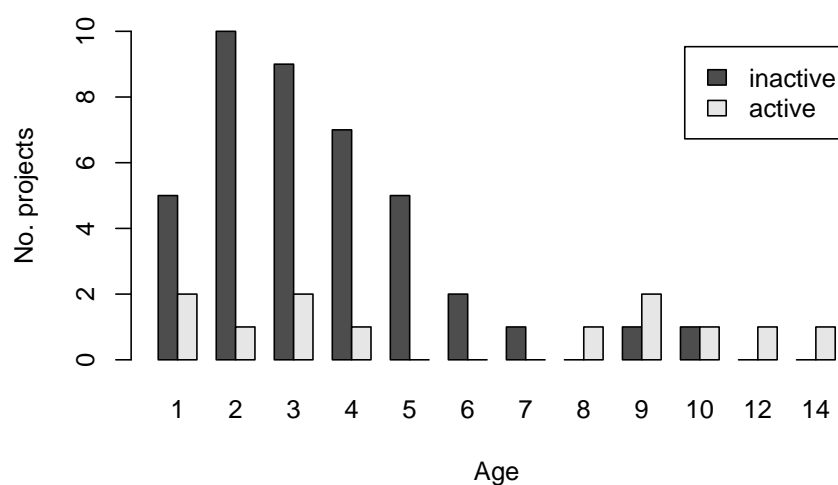


Figure 7.1: Local currency age and status

Table 7.2: Age in years and activity status of U.S. local currency projects, 2005

Longevity (years)	No. inactive	No. active
1	5	2
2	10	1
3	9	2
4	7	1
5	5	0
6	2	0
7	1	0
8	0	1
9	1	2
10	1	1
12	0	1
14	0	1

A look at the longevity of currency programs, as in Figure 7.1 and Table 7.2, indicates that simple project survival is only part of the story of what happens to currency programs after their founding (Note that, for inactive projects, “age” indicates the project’s age at the time it ceased to operate). If survival at the time of analysis is treated as an outcome, there are also precious few positive cases to study; in addition, survival as an outcome precludes any interest in why, for example, some projects reach age five or six, but many more fail at three or four years of age. I expect that city and organizational factors will act differently on programs at different stages of their life. For example, local currency programs may survive for two to three years on founding inertia and the hard work of a committed set of organizers. Past that initial founding period, however, I expect that other variables will come more prominently into play, and that factors beyond the control of project managers

— such as city demographics and economics — will take over in shaping the outcome of local currencies. Analyzing project longevity in this way allows for a treatment of survival in a more dynamic, procedural way. A longevity measure is available for 53 of the 62 viable U.S. currency programs.

Analysis is not unproblematic, however, due to the population of U.S. currency programs. Specifically, the population of local currencies is small enough to make most quantitative analyses, especially multivariate statistics, unreliable. As a result, I have performed a set of analyses that aim to use the data in the most efficient ways as possible, preserving as much variation and as many cases as I can. For the first test of currency longevity, programs are divided into two age-determined categories, based on whether they reached the age of four years, a value selected because the mean age for currency projects is just over four.

### Independent variables

I use the following variables (the collection of which is described in Chapter 4) for the first analysis of project longevity. Because the great majority of currency programs were founded in the 1990s, data from the 1990 U.S. census is used wherever census data is employed.

Several general demographic variables are examined. *City size* is modeled using the logged city population in 1990. *Poverty* is the city's poverty rate from 1989. One of the arguments made by local currency advocates is that local currencies draw marginalized community members into new opportunities for exchange. This might suggest that relatively poor communities have greater pools of potential adherents of a local currency. Such a pool still requires mobilization, however, and movement research generally suggests that the poor are difficult to draw into activism. For that reason, poverty has two contradictory possible effects on longevity: It may increase the base of beneficiaries of local currency, thereby positively influencing longevity, or it may signal a population that is relatively unable to mobilize to take part in using local currency. Similarly, *unemployment* is the city's rate of unemployment for 1990. Like poverty, any effect of unemployment is difficult to predict precisely. On the one



hand, unemployment may signal the kind of biographical availability that enables one to participate in movement projects; on the other hand, it is likely to imply a lack of resources that is prohibitive of movement engagement. Finally, *income* is represented by average city household income in 1989.

Three additional community-level variables are included. The presence of a *college or university* in the city is coded as a dummy variable and is meant to capture the social dynamics of college towns. The idea here is college towns may have populations more likely to engage in the use of alternate currency. The presence of a college, then, is expected to have a positive effect on longevity. The presence of *green businesses* in the city is measured using values from the Co-op America *National Green Pages*, published annually between 1994 and 2005. Because data for all cities are not available for all years of program operation, the measure of green business presence is coded as the *mean* value over that time. This is done in an attempt to capture some reasonable proxy of the broad climate of “green” business — which should represent the community’s embrace of both alternative institutions generally, but also of places of commerce that are self-consciously identified as conducive to some of the explicit goals of local currency. Finally, to gauge a community’s political climate, a dummy variable is included for whether the county voted for a democratic presidential candidate in 1992.

## Analysis

This first stage of analysis — project longevity falling below or above four years of age — is performed using logistic regression (Long 1997).<sup>1</sup> The results of this regression are displayed in Table 7.3. Logistic regression coefficients can be read as the effect of a one-unit change in the independent variable on the log-odds of the outcome. As Table 7.3 indicates, household income has a negative and statistically-significant effect ( $p < .05$ ) on the likelihood of a currency program lasting more than four years.

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<sup>1</sup>Ideally, a more fine-grained analysis of longevity, using multiple inflection points, would reveal a more nuanced process of currency survival. Such a model can be produced using either ordinal logistic regression or multinomial logistic regression, but subdividing longevity into more categories results in too few cases per category to produce useable estimates.

Further, Unemployment ( $\beta = -.56$ ;  $p = .063$ ), the dichotomous measure of democratic voting at the county level ( $\beta = 2.09$ ,  $p = .054$ ), and the count of green businesses ( $\beta = .20$ ,  $p = .066$ ) very nearly reach significance at the .05 level.

	Estimate	Std. Error	z value	Pr(> z )
(Intercept)	13.2188	6.6318	1.99	0.0462
Population (log)	0.0946	0.3591	0.26	0.7922
Poverty Rate	-0.1796	0.1050	-1.71	0.0872
Unemployment Rate	-0.5646	0.3039	-1.86	0.0631
Presence of University	-0.2056	1.4300	-0.14	0.8857
Democratic County	2.0873	1.0818	1.93	0.0537
Household Income (Thousands)	-0.4363	0.2226	-1.96	0.0500
Green Business Count	0.1989	0.1083	1.84	0.0663

Table 7.3: Logistic regression coefficients, currency age greater than 4 years (N=62)

These latter measures suggest mild support for some expected relationships between community-level factors and currency longevity: As expected, a greater number of green-friendly businesses — both likely candidates for participation in a local currency program as well as markers for a community base of participants — as well as recent Democratic voting in the county appear to have a positive effect on the likelihood of currency programs reaching their fourth year. The effect of unemployment is somewhat counterintuitive, given arguments made by local currency advocates. While a mild negative relationship is found here — unemployment *decreases* likelihood of program longevity — currency organizers tend to promote local currency as a tool to mobilize the un- or under-employed. Were this the case, a growing unemployed population might be expected to bolster a local currency's chances. But the present finding suggests, to the contrary, that a growing unemployed population may in fact restrict the participant base of a currency. The strength of the relationship found here is minimal enough, however, so as to be inconclusive on this point.

The effect of household income, however, is significant and measurable. As income increases, the likelihood of a currency program lasting four years or more is reduced. Figure 7.2 plots the estimated effects of income on the probability that a currency program will remain viable past four years of age, for Democratic- and Republican-

leaning counties. For estimation purposes, other values are held at their means. The figure suggests a steeper curve — more rapidly decreasing probability — as well as lower overall likelihood of currency prosperity in counties that voted Republican in 1989. Paired with the unemployment finding, this presents an intriguing situation. Local currencies may not rely on populations who are employed, but they do appear to do better where that work is relatively low-wage. This should be somewhat encouraging to currency advocates who face the criticism that local currencies appeal to well-off bourgeoisie consumers with time to indulge in massages and money to spend on organic produce. While not definitively rebutting that argument, this finding suggests at least that currencies will not find *greater* success in rich communities.<sup>2</sup>

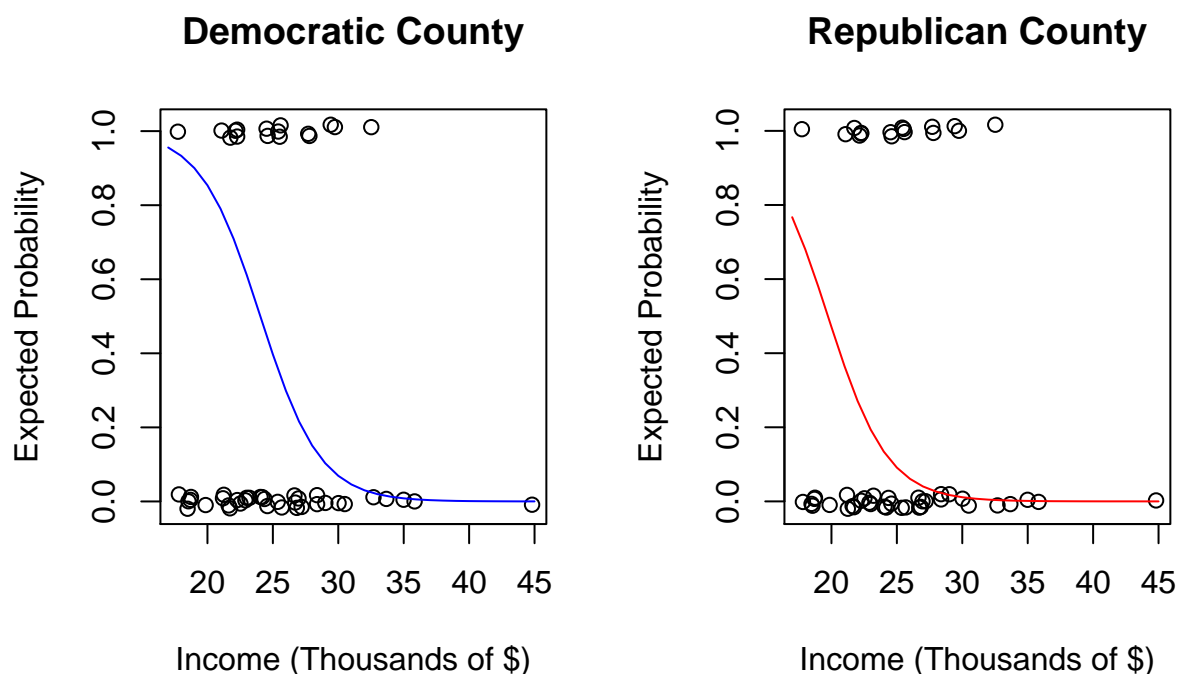


Figure 7.2: Estimated effect of household income on probability of longevity outcome

While it does appear that community-level characteristics have an effect on cur-

<sup>2</sup>Answering this question more confidently would require biographical data on currency participants themselves, which would allow an approach genuinely sensitive to biographical availability and participant demographics.

rency program outcomes, it is also possible that measurements at the level of the currency projects themselves are also important. To explore this possibility, I draw again on project information generated in my organizer survey and perform a qualitative comparative analysis (QCA) on the same dependent variable. QCA (Ragin 1987) is a method of examining cases that differ on a binary outcome and a set of binary independent variables in order to find the set of conditions that conjoin to produce the observed outcome. This approach is a more systematic extension of the use of truth tables performed in Chapter 6. In this case, that outcome is the event of a currency persisting for longer than four years, and I consider the following set of independent variables as possible contributors.

At this level, the primary factors of interest are those that are internal to the currency program itself. First are elements of formal organization. Does the currency have a board of directors or formal officers, and has it obtained formal incorporation as a not-for-profit entity? Next, does it receive any funding via grant-making sources, and has the program ever paid its organizer? Finally, I include consideration of two of the most frequently-identified problems with currency programs: issues of low participation and a lack of sufficient necessities to purchase in the program. For a QCA analysis, all of these variables are converted to “true” or “false” values; the total set of those combinations of values that produce the outcome of a currency lasting longer than four years is then simplified by a process of boolean algebra, resulting in a set of conjunctions of conditions that are present in the data and that produce the specified outcome. QCA is especially useful for relatively small datasets such as that of currency organizers/organizations generated by my survey, and provides a useful and empirically-driven framework for interpreting the conditions that contribute to an outcome.

In this case, QCA generates a six-part solution to projects for which survey data was collected and that persisted longer than four years. Figure 7.3 displays the output generated by the QCA model.

Each set of conditions is one conjunction of factors that exist in the data and take place where a currency is more than four years old. Plus signs indicate “or,” so

Solution: ABCEFG + ABcdEF + ABcdFG + ABcDEfg + AbCdeFg + AbcdefG

A is the presence of Board of Directors  
 b/B is the absence/presence of Office Space  
 c/C is the absence/presence of Paid Organizer  
 d/D is the absence/presence of Nonprofit Status  
 e/E is the absence/presence of Grant Funding  
 f/F is the absence/presence of Low Participation  
 g/G is the absence/presence of Too Few Necessities

Figure 7.3: QCA solution for currencies over four years of age

there are six possible sets of conditions that, together, explain all occurrences of the outcome.

While a board of directors appears in every single combination, in all but two it also appears with office space. The most readily apparent commonality among most sets of conditions is the co-presence of a board of directors and a dedicated office space. This is a fairly important condition, which suggests strongly that formal organization matters a good deal for local currencies to last. Not a single currency program was sustained for more than four years without having in place a formal decision-making structure. As mentioned in Chapter 6, formal structure is important as a signal of legitimacy, even when sitting on the board of directors is simply a matter of volunteering or being at the right meeting. It is also a truly functional element of currencies, providing enough organization to help the program's participants maintain the effort. As for office space, the finding there confirms one of the important conclusions of Cress and Snow (1996), that basic material resources are extremely valuable to successful movement projects. Like homeless organizations, local currencies need to store materials, safely keep undistributed currency, and have a reliable point of contact for the community; the presence of an office space in most successful local currencies would confirm this notion of basic resources. Also noteworthy about the conjunction of a board of directors and office space is that it may ameliorate some of the significant problems of maintaining a local currency: low participation and the

availability of too few necessities within the program. As indicated by conjunction #3, despite both of these conditions appearing together, this combination of conditions still produced a successful (by this measure) local currency. As such, in the face of substantial obstacles, the formal structure provided by *A* and *B* may indeed be necessary conditions for currency longevity. A weaker version of this requirement comes in the form of the final (6th) combination of factors, where Board of Directors appears with nothing but the problem of too few necessities to purchase.

The presence of a paid organizer, grant funding, and formal nonprofit status vary across these six combinations of factors, but one of those three conditions appears in most conjunctions. Grant funding, in particular, appears to be important. Reminiscent of the frequent conversations on the currency email list, where organizers shared advice on grantmaking agencies and proposal strategies, the presence of funding from an outside agency appears to be significant to long-lived programs. Paid organizers and nonprofit status are less common, appearing in two and one sets of combinations, respectively. Finally, with regard to the problems that currency programs face, it is noteworthy that no long-lived currency programs appear without the co-occurrence of other positive aspects of organizations. Both low participation and a lack of necessities within a program are only successfully ameliorated by organizational strengths.

## Discussion

The objective of this chapter was to understand some of the factors that contribute to currency outcomes. What stands out on examination is that conditions generally expected by both participation and political opportunity literature do have some effect — though one that is barely statistically significant at conventional *p*-levels — on the likelihood that currencies will reach a critical point of four years' longevity. Substantively, the finding with regard to household income does suggest something interesting. If slightly less affluent cities are more likely to sustain local currencies, then it is possible that currencies do indeed provide economic opportunities where there are few others available. Further, there is mild support for the role of a progressive or “green” business community — both of entrepreneurs and consumers —

a Democratic voter base, and the need for sufficient employment in the community.

When considered at the level of individual programs themselves, several additional factors seem to make a difference. The most prominent of these is the organizational formality provided by currencies' boards of directors, followed by the presence of a dedicated office space. One of these two conditions appear to be sufficient to overcome the obstacles that currencies frequently encounter, namely, low participation or an inadequate set of necessary goods and services.

Taken together, this suggests an important conceptual and theoretical point, namely that both the organization and management of local currencies *and* the circumstances that surround the projects themselves need to be taken into account in order to explain program outcomes. Movement efforts like local currency, that require active participation rather than simple membership, may rely both on active organizational management and resources, per scholars such as Cress and Snow (1996), as well as a "conducive environment" (Schneiberg 2002) for mobilization (see also Snow et al. 2005).

## CHAPTER 8

### CONCLUSION

Efforts to transform durable social institutions — successfully or not — are the primary driver of this dissertation. In local currency, I found a case of this that adds an intriguing complication to our understandings of such attempts. Specifically, local currency seeks to put the institutionalized practice of using money to work in such a way as to challenge the structure that surrounds it. The application of a routine practice to a pointed challenge to institutionalized power — using money to change money — is not only substantively interesting, but brings focus to a developing and under-studied element of social change.

The sets of data I assembled constitute the most comprehensive empirical project yet applied to local currencies within the United States. These data allow for the detailed study of local currency at the level of how meanings are framed, how currencies are operated, and how different factors shape the outcomes of currency programs. I have tried to describe in detail the processes local currencies undergo and the obstacles that they face. With regard to studying social change more generally, local currency helps to shine light on the concepts of everyday activism and ideologically structured action. In addition, my findings add some detail to concepts of the organizing work that goes into movement projects.

#### Reconsidering local currency

One issue that arose frequently throughout this project is the question of how exactly to define local currency. Is local currency, as Helleiner argues, “part of a sustained transnational movement that explicitly aims to challenge territorial currencies and use more ‘localist’ monetary structures as a tool for permanent social change” (Helleiner 2003:222), or is it better understood as something else, such as a movement *tactic*



employed by organizers who adhere to many movements? From a definitional perspective, both seem to be reasonable. Surely, advocates at the E. F. Schumacher Society see local currency as a movement with a momentum of its own; but it is certainly one that is motivated in the service of humanized economies, regional economic stability, and local sustainability. None of the framing of local currency advocates local money for its own sake, except perhaps as part of a broader localist movement.

In this sense, local currency may be seen as a fairly modular tool of multiple movements (including the more conservative or right-wing movements with which most of my surveyed organizers did not affiliate). This is a productive perspective in one sense: as McAdam (1983) finds, novel movement tactics spur interest in the broader movement overall. As such, local currency may be a valuable element in sustaining activist communities in some cities, contributing to a creative environment for activists to affirm commitment to a set of causes and generate new narratives about their roles in movements — processes that Oberschall (1973) cites as important for generating collective action. Complementarily, it is also possible that local currencies represent the success of other kinds of movement projects. In this sense, “everyday activism” (discussed further below) may be a reflection of, for example, the environmental or feminist movements’ successful institutionalization. We could observe recycling, the use of the word “chauvinist,” and participation in local currency as practices that stem from a culture of activism, itself produced by the successful movements that preceded it. The finding from Chapter 7 that green businesses — themselves a marker of a community infused with some measure of activism — are associated with currency longevity lends some support to this idea.

Local currency as a movement in its own right remains somewhat problematic, at least from the perspective of most understandings of movements. Taking as a starting point Tarrow’s (1998:4) definition of movements as “collective challenges by people with common purposes and solidarity in sustained interaction with elites, opponents, and authorities” suggests some important points to consider. To what extent is local currency both “collective” and confrontational of “elites, opponents, and authorities” in a meaningful way? Research on online activism has argued that the requirements

of collectivity and co-presence are too stringent, and would preclude the consideration of important movement phenomenon. Local currency, similarly, seems to belong to a set of movement projects that cannot be cleanly categorized. While mobilizing a currency certainly involves tasks that are recognizable as movement-like, actually using local currency — participating in the alternative institution that advocates would construct — involves minimal collectivity or outright confrontation. Engaging with local currency is not, as Tilly (1978) defines one of the cruxes of movement participation, a “contentious gathering.”

Moreover, what opponents do local currencies confront? Local currency challenges the state, but in a rather oblique fashion. An emphasis on state-focused movements marginalizes much activity that is nonetheless confrontational and change-seeking.<sup>1</sup> Instead of direct state challenge, local currencies and similar projects seek to establish alternative ways of engaging with state, corporate, and economic powers.<sup>2</sup> As such, local currencies represent a useful point of departure, toward movements that not only involve day-to-day activity but that seek to build enduring models for politically oriented civic engagement, or what Sargisson (2001) calls a “politicized domestic sphere” (see also Melucci 1996).

### Activism in unlikely places

Such a sphere of politicized activity should become increasingly important as protest becomes further institutionalized. Meyer (2006) suggests that “when everyone protests” in a movement society (Meyer and Tarrow 1998) the ability of protest to bring about change through disruption will wane — a situation compounded by increasing professionalization of movement organizations and a move toward interest group politics at the broad level. Rather than contributing to the banalizing of protest, projects such as local currency point to different ways to effect some social change, through institutions that are not identified with protest so much as with

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<sup>1</sup>See Van Dyke et al. (2004) for a detailed exploration of movement targets; the authors argue that a state-centered focus has been more of an assumption than historical fact.

<sup>2</sup>Worth noting on this point is that the “Liberty Dollar,” another alternative money project, is much more directly contentious in its relationship to state authority.

everyday life.

Local currency provides some opportunities to explore notions of everyday activism and ideologically-structured action (Mansbridge and Flaster forthcoming, Zald 2000). These two concepts expand the domain in which movement activity may take place, by studying how “regular” interactions and those in conventional institutional contexts, respectively, may contribute to movement-like challenges. Describing ideologically-structured action, Zald (2000) writes that it no longer makes sense to think of movement activity as taking place either in the context of organized collective events (the marches, sit-ins, and other protests that were so formative to much movement research) or through unconventional processes; movement organizations are inextricably tied to more institutionalized structures, such as legislatures or policy-making bodies, and “participation” in these organizations, while motivated by challenging ideological commitments, may not be readily identifiable as such.

The challenge to ISA comes in the form of the question raised by Klandermans (2000), who wonders what is gained by expanding the notion of movement behavior as Zald would do. To this question, I think local currency suggests a possible answer. Broad goals of monetary reform, social justice, and environmental sustainability are reframed by organizers in terms that make sense for the particular communities in which they live. This looseness between master movement framing and local engagement is a feature of movements that has been identified, but rarely considered explicitly.<sup>3</sup> In fact, by broadening movement participation by recognizing tactics — *using* local currency, for example — as a kind of ideologically-structured action, movements may indeed escape some of the liabilities of having a master frame that constrains subsequent mobilization (Snow and Benford 1988).

By explicitly recognizing the great variety among those who contribute to a movement, we move away from the oversimplifications of identifying, for example, “the peace movement” or “the environmental movement,” and movement scholars (and organizers) remain sensitive to the ways in which movement participation may be

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<sup>3</sup>Strategic voting (Earl and Schussman 2004, Schussman and Earl 2004) suggests another case of a similar nature, where highly heterogeneous organizers engaged in the same tactic for a number of reasons, and the tactic itself came to symbolize the entire set of claims and rationales.

highly dynamic. For example, one implication is that we may see increasing numbers of movements based on participation rather than on membership; or, put differently, movements to which people contribute informally or in passing. Movement researchers should consider, for example, the point at which an activity like buying only organic produce might cross the line from “consumption” to “activism.” At the macro level, hundreds of thousands of such shoppers undoubtedly contribute to social and economic change that can be argued to benefit or advance the causes of movements. Whether this is truly movement behavior — which scholars like Klandermans (2000) would certainly argue against — is a question that we should continue to consider.

Like ISA, “everyday activism” similarly broadens the notion of movement activity beyond the conventional requirement of collectivity, and it much more strongly suggests a cultural component to movement activity — indeed, for Mansbridge and Flaster (forthcoming), engagement in everyday activism is fundamentally a cultural activity insofar as it involves manipulating language and redefining symbols. Mansbridge and Flaster also argue that, by being integrated into routine action, everyday activism reduces the likelihood of free-riding and the tension between those who act out of duty or conscience versus those who act out of the potential for benefit:

Yet the everyday activists described here are not opportunists in this sense. They do not, in our estimation, act only to get the benefits. They act to get the benefits and because they are motivated by a sense of injustice. The difference between “opportunism” — taking advantage of a larger movement to advance one's own ends — and everyday activism is signaled by the everyday activists' genuine perception of injustice and the desire to redress it, even if in doing so she benefits herself.

Complementary to what was suggested above, everyday activism explicitly identifies a diversity of causes. Activists are not homogenous, but rather are participants in making a broad set of “socially shared demands for change in some aspect of the social order” (Gusfield 1963). By adopting a common symbol (the phrase “male chauvinists”) or tactic (local currency) activists contribute to just such an overarching

movement. As Mansbridge and Flaster (forthcoming) write, “the social movement lifts to salience the ideals that lead people to take up the term, and the spread of the term in turn promotes the ideas in the social movement.”

Everyday activism also helps to identify one of the significant and persistent problems with local currencies: the cost of its use. Using the phrase “male chauvinist” certainly carried some cost, but the cost diminished as the phrase diffused. Even in communities with strong ongoing local currency programs, the cost of using local money remains relatively high. If the evolutionary mechanism that Mansbridge and Flaster suggest is truly at work in local currency communities,<sup>4</sup> it reinforces the need for routine activism to be facilitated by some organized structure that can bear the costs of generating new sorts of activities.

### Organizers and organizing

As noted earlier, one significant caveat to the idea of local currency as “everyday activism” is its high organizational cost. One of the key findings of this dissertation is that reshaping institutionalized behavior is tremendously difficult, and relies on much more than effective framing (I discuss this implication for money, in particular, later in this chapter). As I find in Chapter 7, the longevity of any given currency program depends not only on some community-level factors, but on the persistence of its organizers in the face of burnout and exhaustion, and on the ability to procure a set of relatively basic — but by no means guaranteed — organizational resources, such as an office space and some amount of formal management structure.

In the parlance of Cress and Snow (1996), local currency organizations have a surplus of moral resources but a dearth of human and material resources. That is, regardless of how well the issues are defined and articulated, an organization’s committed staff, some amount of funding — like Cress and Snow, I find grant funding in particular to be an important predictor — and basic tools of organizing matter a

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<sup>4</sup>By this, Mansbridge and Flaster mean to suggest that activists pick and choose from various symbols and elements offered by a movement; they therefore “select” which kinds of language, framing, and meanings will persist. If activists will not engage in the terms of a movement, the movement will fail to find a foothold.

great deal. While it is clear that initial exuberance can sustain an organization for a short period of time, the high rate of burnout among currency organizers would confirm that this duration is limited. Structures such as boards of directors and a place to call home help local currency organizations establish some bit of permanence; and the presence of each likely aids with problems of leadership succession, which will be important given the high rate of burnout among currency organizers.

Many organizers expressed a real passion for the ideas that they see fostered by local currency: Community solidarity, ecological transformation, a “true sense of home” (Survey no. 20), or an alternative to a federal currency that is “digging its own grave” (Birch 2004:4). Based on this passion, organizers invest heavy amounts of time and energy into their projects. But as Oliver (1984) finds, they frequently face diminishing returns on their efforts, seeing initial enthusiasm on the part of members and co-organizers lead to quick growth, followed by stagnation or decline. Beyond the basic material needs of a local currency, then, the heavy burden on organizers to keep the currency in action must be highlighted again. Facing shrinking membership and participation levels, as many currencies persistently do (illustrated by survey and mailing list excerpts in Chapter 6), organizers workload and small numbers as core problems: “As with most local currency organizations, we are understaffed with not enough time to do everything” (survey no. 8) says one such organizer; another notes disappointedly “We had all invested so much energy in the venture that we didn’t want to accept that it wasn’t accomplishing the goals we stated in our grant proposals” (Survey no. 9).

Functional local currencies — or, at least, those that persist more than a few years — underscore the notion that “acting everyday” needs to be facilitated by some structure beyond sentiment or ideology. Although these things can perform work that helps to dismantle or build institutions, they are insufficient by themselves; as local currencies help to demonstrate, alternative institutions need institutions. This is important not only for those who would construct similar projects, but also should act as a useful counterpart to arguments about movements becoming either inexpensive to participate in or reduced in cost to organize, as the tools of organization proliferate.

Is local currency real money?

The rationales that underlie local currency are often fundamentally about economics. Local circulation of money supply has a multiplier effect and it is desirable to insulate communities from external economic shocks, for example. But except in a few cases, the actual economic benefits of local currency are immeasurably small. In this sense, local currency is far more symbolic than actual in terms of what it means economically. It symbolizes demarcation of one community from a nation, a desire to make community membership a meaningful category, or perhaps a desire to simply try a new way of making exchanges.

If utility were the marker of “real” money, then local currency would likely, in most cases, fail to meet the requirement. But as we know from both Parsons and Smelser (1956) and Zelizer (1994), utility is not the only definition of money. The use of local money to set apart one community from another, or to identify oneself as belonging, are fundamental functions of our multiple monies. These elements are emphasized by currency organizers as much as — or more than — utilitarian reasons to use the currency, adding something of a rejoinder to Weber’s sentiment that

[M]oney is the most abstract and ‘impersonal’ element that exists in human life. The more the world of the modern capitalist economy follows its own immanent laws, the less accessible it is to any imaginable relationship with a religious ethic of brotherliness. (Weber 1971:331)

Local currency, further, need not be “successful” to illustrate how pervasive the institution of money is. Indeed, the fact that so many local currencies whither, despite passionate invocations by their organizers, seems demonstrative of the fact that “money works best when it can be taken for granted, when its value, negotiability, and neutrality can simply be assumed” (Carruthers and Babb 1996:1556). What is ironic about money in this context is the way that its value has come to be assumed based on fiat — that is, not truly backed by commodity, but rather by decree (see Coleman 1990:119-21) — whereas the value of local currency is, as the High Desert Dollar program put it, backed more explicitly “by our skill, our time, and our natural

resources.”<sup>5</sup> To this idea of backing, local currency further helps to demonstrate some of the basic problems of trust and consensus on value that money faces, albeit at a very small scale. The “self-fulfilling skepticism” that one organizer expressed about local currency confirms the need for money systems to be able to demonstrate their solvency.

Additionally, questions of how money can be issued, under what authority, and how it can circulate deserve careful attention. Juxtaposing federal money with local currency provides a window on several of these aspects of money that usually remain invisible to us. I find not only that the framework of money’s meanings proposed by Carruthers and Espeland (1998) is an empirically sensible one for this case — that is, it aligns with much of the rhetoric and framing used in local currency — but that it describes in revealing ways the parallels and departures between local currency and federal money. This framework, then, helps not only to unpack local currency in great detail, but to confirm that treating local currency as “real money” has genuine value.

Finally, local currency speaks in some interesting ways to how we build money systems. An axiom of both the sociology of money and of local currency advocacy is that money is a socially-built construct. At the institutional level, the market activity that enables monetary exchange is understood by sociologists to be embedded in social relationships and backed by both state authority and an abundance of national and international organizations. In other words, the economy itself is a social institution (Baker 1987, Granovetter 1985) that can operate both as an outcome as well as a cause of social change and social relations (Baker and Jimerson 1992). At the local level, money is infused with diverse meanings and embedded in particular places and relationships (Zelizer 1994).

All these levels of social construction, however, do not mean that money is readily transformable. Indeed, while the effects of aggregated social categories and meanings is one axiom of sociology, the relative durability of those structures is another. And money, like many institutions, is representative of a particularly durable set of “power

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<sup>5</sup>It is this lack of backing of federal currency that drives programs like the Liberty Dollar, as well, which produces actual minted gold and silver coins.



constellations” (Weber 1978:108) formed by the intersection of culture and structure. Zelizer recognizes this, that “culture and social structure mark the quality of money by institutionalizing controls, restrictions, and distinctions” (1989:342), and in fact calls on these restrictions and distinctions — at the *local* level — to make the case that money can function independently from the macro-level markets in which it is thought by economists to operate solely for pecuniary value.

The broader systems in which national money operates are not only pervasive, but powerful. Local currency demonstrates rather vividly that changing money will mean changing not only money’s local meaning, but would also require much broader shifts in culture and structure. Reconfigured money — be it pin money, blood money, gift or blackmail — can operate within this current system precisely because the system itself is blind to the meanings we attach to the currency that we use, but local currency would infuse the money system itself with those meanings. In this sense, then, money might best be understood as socially-constructed, but in a way that is far more top-down, observant of institutions of power and influence, than is acknowledged in the course of everyday exchange.

### Looking ahead

This dissertation raises several opportunities for further exploration, both at the intersection of movements and institutions, as well as on the topic of money.

The first is a further consideration of routine challenges, those movement projects that would employ ideologically-structured action or everyday activism to reshape social institutions. There are numerous community-level projects that might be explored in this category: Community-supported agriculture projects (CSAs), “buy local” efforts, and local level initiatives to influence planning, growth, and open space developments are three possible avenues of further work. The former may be particularly promising, for several reasons. First, CSAs are more widespread; whereas one of the persistent problems of analyzing local currency is the small population of currency programs, CSAs are far more populous. Further, their more defined structure of participation makes their ability to generate social capital and economic outcomes

much more readily measurable.

While CSAs (and Buy Local programs) are likely to involve a similar process of meaning-making as mobilization as local currencies, they should also provide more, and more successful, cases of long-term viability, allowing for a deeper exploration of how consumer-based activity can create and change institutions — not just challenge it. This will also facilitate reconsideration of one of the original dilemmas of this project, that of the different ways that organizational and environmental factors combine to contribute to movement outcomes.

Finally, on the subject of money, this project leads to two potential avenues of further research. Having looked at cash in its most explicitly-generated form, the first possibility is to consider Coleman’s “cashless society” (Coleman 1990:121). One organizer expressed in a survey his belief that trust in credit and electronic commerce was waning, and that this would bode well for all-cash local currencies, but the massive growth in, for example, online commerce belies his experience. What does a cashless society mean for the authority behind money, or the limits on its circulation? How does money work as a marker of boundaries? And, what does digital cash portend for issues of access to commerce and markets?

Second, the high failure rate of local currencies suggests another broader question: What kinds of money fail and what kinds succeed, and why? Given the recent history in the U.S. of attempts at new dollar coins, it is clear that some monies work far better than others, even in well-established systems. When money is forced to change, as a late-2006 court ruling might do to U.S. currency,<sup>6</sup> how do organizations — banks, retailers, equipment makers — respond?

These latter two sets of issues move away from movement-centered activity, but retain a focus on the meanings of institutions and the difficult process of institutional change. Beginning this work with local currency has shaped a research agenda that will consider the tight interplay between organizations, movements, and the everyday

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<sup>6</sup>Differences in American currency are so slight as to be imperceptible to the blind. In November, a Federal District Court ruled that the U.S. Treasury had 30 days to develop a plan to bring the money into compliance. “U.S. Currency Discriminates Against Blind, Judge Rules,” *New York Times* Nov. 28.

practices that contribute to each. Both the evolving nature of money as well as the set of conscientious, sincere, and heartfelt — but not always successful — efforts at transforming social institutions will undoubtedly provide opportunities to explore these processes as multiple levels. All of the possible courses of further work laid out here would continue to work through important aspects of contemporary social life, to consider the interplay between how we make sense of our world, on one hand, and on the other hand and how the structures of that world shape us, define our relationships, and give meaning to the institutions within which we live.

## APPENDIX A

### FULL TEXT OF ORGANIZER SURVEY

#### Introduction

Thank you for your willingness to take part in this survey, which is part of a research project on local currencies in the United States. The survey asks you to provide some information about your experience as an organizer of a local currency, about the local currency program, and about yourself. Below is some important disclaimer information about the study.

#### Local Currencies in the United States

You are being invited to voluntarily participate in the above-titled research study. The purpose of the study is to understand the operation and structure of local currency projects in the United States. You are eligible to participate because you are or have been involved with a local currency organization.

If you agree to participate, your participation will involve a short survey about your experience with local currency in your community. The survey will last approximately 30 to 45 minutes. You may choose not to answer some or all of the questions.

Any questions you have will be answered and you may withdraw from the study at any time. There are no known risks from your participation and no direct benefit from your participation is expected. There is no cost to you except for your time and you will not be compensated for your participation.

Only the principal investigator will have access to your name and the information that you provide. In order to maintain your confidentiality, your name will not be revealed in any reports that result from this project. Survey information will be kept in a locked file cabinet in a secure place.

You can obtain further information from the principal investigator, Alan Schussman, PhD candidate, at (520) 621-3889. If you have questions concerning your rights as a research subject, you may call the University of Arizona Human Subjects Protection Program office at (520) 626-6721.

By participating in the survey, you are giving permission for the investigator to use your information for research purposes.

Thank you,

Alan Schussman, Principal investigator

#### Filling out the survey

You may use pencil or pen to fill out the survey. Most questions ask for a single response; please check one box for these items. Some questions ask for you to mark all responses that are appropriate. Finally, a few questions ask for a short written response, and you may write as much or as little as you like in response.

Please return the survey in the included postage-paid envelope.

## Local currency organizer survey

### Your work with local currency

First, I am interested in knowing more about the nature of your work with your community's local currency program. The following questions ask you about some aspects of that experience.

1. You were identified as a community currency organizer because of your involvement with a particular local currency, noted in my request for you to participate in this survey. Have you been involved as an organizer in more than one local currency?

☐ Yes

☐ No

If yes, with what other project(s) did you work as an organizer?

Please write your response in the space below

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If yes, please think of the currency referred to in my correspondence for all of the questions in this survey.

2. In what year was the local currency founded? \_\_\_\_\_
3. In what year did you become involved as an organizer of the local currency?  
\_\_\_\_\_
4. Were you a founder of the local currency?
 

☐ Yes

☐ No

5. Please describe how you came to be an organizer of your local currency project.

Please write your response in the space below

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6. Were you specifically asked to act as an organizer?

☐ Yes

☐ No

7. Were you elected to act as an organizer?

☐ Yes

☐ No

8. What is your title, if any? \_\_\_\_\_

9. At any time were you paid for your work as an organizer?

☐ Yes

☐ No

- a) If yes, were you paid in federal currency, local currency, or a mix of the two?

☐ Federal currency

☐ Local currency

☐ A mix of the two

- b) If yes, approximately what percent of your income was supplied by your work as an organizer, during the period you were organizing?

\_\_\_\_\_

10. Were you a member or a participant in the local currency before becoming an organizer?

☐ Yes

☐ No

If yes, for how long? months: \_\_\_\_\_ years : \_\_\_\_\_

11. Were you ever a member or a participant in a local currency in another city?

☐ Yes

☐ No



If so, in what city? \_\_\_\_\_

12. Advocates offer several arguments for local currencies. Of the following reasons to advocate for local currency, please rank the three that are *most important to you* (Next to the appropriate item write “1” for most important, “2” for second in importance, and “3” for third in importance. Please only mark three items.).

- \_\_\_ Raising the living or minimum wage
- \_\_\_ Providing resources to the unemployed or underemployed
- \_\_\_ Improving relationships among community members
- \_\_\_ Fighting the encroachment of “big box” stores
- \_\_\_ Opposing globalization
- \_\_\_ Promoting environmentally-sustainable business
- \_\_\_ Creating new or enhanced business opportunities
- \_\_\_ Opposing corrupt financial institutions
- \_\_\_ Creating stable currency in times of financial crisis
- \_\_\_ Other (please specify)

If you marked “other” above, please specify your reason.

Please write your response in the space below

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13. Think of the three arguments you chose from the previous question. When you promote local currency to potential members or other participants, do you always use these arguments or do you sometimes use different ones?

- ☐ Same
- ☐ Different

14. If you chose “different” above, now please rank the same set of arguments for local currency as you use them to recruit participants or promote your

community (Next to the appropriate item write “1” for most important, “2” for second in importance, and “3” for third in importance. Please only mark three items.).

- ☐ Raising the living or minimum wage
- ☐ Providing resources to the unemployed or underemployed
- ☐ Improving relationships among community members
- ☐ Fighting the encroachment of “big box” stores
- ☐ Opposing globalization
- ☐ Promoting environmentally-sustainable business
- ☐ Creating new or enhanced business opportunities
- ☐ Opposing corrupt financial institutions
- ☐ Creating stable currency in times of financial crisis
- ☐ Other (please specify)

If you marked “other” above, please specify your reason.

Please write your response in the space below

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15. In your role as an organizer of local currency, about how much time per week (in hours), on average, do you spend working on the currency? \_\_\_\_\_
16. Are you still active as an organizer of your local currency?
  - ☐ Yes
  - ☐ No
  - a) If not, in what year did you stop? \_\_\_\_\_

- b) If you are no longer an organizer, please briefly describe how you stopped.

Please write your response in the space below

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17. In your time as an organizer, did you ever seek out guidance from organizers of other local currencies?

☐ Yes

☐ No

- a) If so, for what issue(s) did you seek advice?

Please write your response in the space below

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- b) From whom did you seek help (name of local currency or currencies)

Please write your response in the space below

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About your local currency

I now have several questions about the local currency project itself.

1. Is the local currency active? (That is, is it actively organized, and is the currency still used for exchange by community members?)

☐ Yes

☐ No

- a) If not, please briefly describe the conclusion of the local currency's activity

Please write your response in the space below

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- b) If not, in what year did the currency cease to be active? \_\_\_\_\_

If the local currency is no longer active, please respond retrospectively to the following several questions; that is, **did** the currency have paid staff, **did** it have volunteers, **did** it have an office space, etc.

2. Was your local currency ever registered as a non-profit organization (501(c)3 or other not-for-profit status)?

☐ Yes

☐ No

3. Was your local currency ever legally incorporated as a business, limited liability corporation, or other formal corporation (*excluding* non-profit incorporation)?

☐ Yes

☐ No

4. Was your local currency ever managed as the project of another organization (for example, a project of a local non-profit, women's organization, or civic group)?

☐ Yes

☐ No

- a) If yes, what is the name of that organization?

Please write your response in the space below

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5. Does your local currency have officers such as president and treasurer?

☐ Yes

☐ No

- a) If so, are these positions filled by elections?

☐ Yes

☐ No

- b) If they are not filled by election, how are these positions filled?

Please write your response in the space below

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6. Does your local currency have a board of directors or steering committee?

- a) ☐ Yes

☐ No

If so, are these positions filled by elections?

☐ Yes

☐ No

b) If they are not filled by election, how are these positions filled?

Please write your response in the space below

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7. Has your local currency ever had any paid staff?

☐ Yes

☐ No

a) If yes, approximately how many paid staff are there at any one time?

☐ 1

☐ 2

☐ 3

☐ 4

☐ 5

☐ 6

☐ 7

☐ 8

☐ 9

☐ 10

☐ more than 10

b) If yes, are staff paid in federal currency, local currency, or a mix of the two?

☐ Federal currency

☐ Local currency

☐ A mix of the two

c) If yes, approximately how many hours of work do paid staff members work per week, on average?

☐ less than 5 hours

☐ 5 to 9 hours

☐ 10 to 20 hours

☐ 20 to 30 hours

☐ 30 to 40 hours

☐ more than 40 hours

8. Has your local currency ever had any unpaid volunteers who assist with any of the organization's work?

☐ Yes

☐ No

a) If yes, approximately how many volunteers are there are any one time?

☐ 1

☐ 2

☐ 3

☐ 4

☐ 5

☐ 6

☐ 7

☐ 8

☐ 9

☐ 10

☐ more than 10

b) If yes, about how many hours per week does a volunteer work?

- ☐ less than 5 hours
- ☐ 5 to 9 hours
- ☐ 10 to 20 hours
- ☐ 20 to 30 hours
- ☐ 30 to 40 hours
- ☐ more than 40 hours

9. Does your local currency organization have an office space?

- ☐ Yes
- ☐ No

a) If yes, please describe the office (check all that apply):

- ☐ Storefront
- ☐ Home-office
- ☐ Space in an office building
- ☐ Space shared with a business
- ☐ Space shared with an activist or social movement organization

10. Has your local currency ever had general meetings at which members are present?

- ☐ Yes
- ☐ No

a) If so, approximately how often do these meetings take place?

\_\_\_\_\_

b) Still thinking about membership meetings, approximately how many members are present at these meetings, on average? \_\_\_\_\_



11. Does your local currency charge a membership fee for individuals?

☐ Yes

☐ No

a) If yes, what is the yearly fee, in dollars? \_\_\_\_\_

12. Does your local currency charge a membership fee for businesses?

☐ Yes

☐ No

a) If yes, what is the yearly fee, in dollars? \_\_\_\_\_

13. In its lifespan, has your community's local currency undergone a significant re-organization? (For example, a re-launch of currency, a re-structuring of governance, or a temporary suspension of activity.)

☐ Yes

☐ No

a) If so, in what year did this event take place? \_\_\_\_\_

- b) If you answered “yes” above, please briefly describe this reorganization or transformation.

Please write your response in the space below

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14. In which of the following ways do you promote your community’s local currency?  
(Please mark all that apply.)

- ☐ Community meals (pot-lucks, desserts, etc.)
- ☐ Currency fairs
- ☐ Booths at community events
- ☐ Advertisements in local newspapers
- ☐ Radio or television advertising
- ☐ Flyers or posters
- ☐ Other

If you marked “other” above, please specify.

Please write your response in the space below

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15. Has your local currency ever been endorsed or promoted by other organizations or institutions?

☐ Yes

☐ No

a) If yes, please describe the source of endorsements (mark all that apply):

- ☐ Social movement or social change organizations
- ☐ Foundations
- ☐ Civic organizations such as fraternal orders or charities
- ☐ Local retailers
- ☐ Chamber of commerce or other business organization
- ☐ Financial institutions, such as banks or credit unions
- ☐ City, county, or other local government
- ☐ State government
- ☐ Federal government
- ☐ Other

If you marked “other” above, please specify.

Please write your response in the space below

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16. Excluding member contributions (if any), has your local currency organization ever received funding from outside sources?

☐ Yes

☐ No

a) If yes, please describe your external funding sources (mark all that apply):

- ☐ Social movement or social change organizations
- ☐ Foundations
- ☐ Civic organizations such as fraternal orders or charities

- ☐ Local retailers
- ☐ Chamber of commerce or other business organizations
- ☐ Financial institutions such as banks or credit unions
- ☐ City, county, or other local government
- ☐ State government
- ☐ Federal government
- ☐ Other

If you marked “other” above, please specify.

Please write your response in the space below

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I would like to know how your community's local currency has changed over time. Please respond to the following questions to the best of your knowledge; if you are unsure, please estimate. If you have documents such as newsletters that contain this information and would be willing to share them rather than fill in these questions, I would be happy to copy and return those documents, at no expense to you.

17. Beginning with the year in which your community's local currency was founded, what was the approximate yearly value, in dollars, of your local currency in circulation? Please estimate a value for each year of operation.

circulation in 1990: \$ \_\_\_\_\_

circulation in 1991: \$ \_\_\_\_\_

circulation in 1992: \$ \_\_\_\_\_

circulation in 1993: \$ \_\_\_\_\_

circulation in 1994: \$ \_\_\_\_\_

circulation in 1995: \$ \_\_\_\_\_

circulation in 1996: \$ \_\_\_\_\_

circulation in 1997: \$ \_\_\_\_\_

circulation in 1998: \$ \_\_\_\_\_

circulation in 1999: \$ \_\_\_\_\_

circulation in 2000: \$ \_\_\_\_\_

circulation in 2001: \$ \_\_\_\_\_

circulation in 2002: \$ \_\_\_\_\_

circulation in 2003: \$ \_\_\_\_\_

circulation in 2004: \$ \_\_\_\_\_

18. Beginning with the year of founding, approximately how many individual, non-retail members participated in your community's local currency? Please estimate membership for each year of operation.

members in 1990: \_\_\_\_\_

members in 1991: \_\_\_\_\_

members in 1992: \_\_\_\_\_

members in 1993: \_\_\_\_\_

members in 1994: \_\_\_\_\_

members in 1995: \_\_\_\_\_

members in 1996: \_\_\_\_\_

members in 1997: \_\_\_\_\_

members in 1998: \_\_\_\_\_

members in 1999: \_\_\_\_\_

members in 2000: \_\_\_\_\_

members in 2001: \_\_\_\_\_

members in 2002: \_\_\_\_\_

members in 2003: \_\_\_\_\_

members in 2004: \_\_\_\_\_

19. Beginning with the year of founding, approximately how many organizational members participated in your community's local currency program? This includes any business, retail, non-profit, or government organization that participates in the distribution or exchange of the currency. Please estimate a number for each year of operation.

members in 1990: \_\_\_\_\_

members in 1991: \_\_\_\_\_

members in 1992: \_\_\_\_\_

members in 1993: \_\_\_\_\_

members in 1994: \_\_\_\_\_

members in 1995: \_\_\_\_\_

members in 1996: \_\_\_\_\_

members in 1997: \_\_\_\_\_

members in 1998: \_\_\_\_\_

members in 1999: \_\_\_\_\_

members in 2000: \_\_\_\_\_

members in 2001: \_\_\_\_\_

members in 2002: \_\_\_\_\_

members in 2003: \_\_\_\_\_

members in 2004: \_\_\_\_\_

20. Here is a list of categories of goods and services that may be available through a local currency. Please check all of those categories that have been available, at any point in time, through the local currency you organize.

\_\_\_Architecture/Design

\_\_\_Auto repair/maintenance

\_\_\_Business services

\_\_\_Carpentry or construction

\_\_\_Childcare

- ☐ Computer services
- ☐ Counseling
- ☐ Food/food service
- ☐ Health products and services
- ☐ Housework and housecleaning
- ☐ Pet care
- ☐ Recreation
- ☐ Teaching or education
- ☐ Transportation
- ☐ Yard work or gardening
- ☐ Other

If you marked “other” above, please specify.

Please write your response in the space below

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21. Here is a list of problems and difficulties that are sometimes reported by local currency organizers and participants. Please check all the issues that you have encountered as a local currency organizer.

- ☐ Difficult to reach a target population (low income or non-white participants, for example)
- ☐ Too little participation
- ☐ Hoarding of currency
- ☐ Generating public confidence
- ☐ Too few non-activist participants
- ☐ Operating costs too high
- ☐ Tracking use of currency
- ☐ Too many participants
- ☐ Not enough retail or storefront participants
- ☐ Too many “luxury” goods and services
- ☐ Perception of local currency as “radical” or “fringe”
- ☐ Dealing with counterfeit currency
- ☐ Too much currency issued
- ☐ Not enough currency issued
- ☐ Setting the value of local currency
- ☐ Inadequate diversity of goods and services available to purchase
- ☐ Burnout of organizers or volunteers
- ☐ Instability of external, national-level economy
- ☐ Too few necessities available for purchase with local currency
- ☐ Other

If you marked “other” above, please specify.

Please write your response in the space below

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To conclude this section of the survey, I would like to learn more about your community's local currency in your own words.

22. In your estimation, what are/were the three most common uses of your community's local currency?

1: \_\_\_\_\_

2: \_\_\_\_\_

3: \_\_\_\_\_

23. In your estimation, what are/were the three least common uses of your community's local currency?

1: \_\_\_\_\_

2: \_\_\_\_\_

3: \_\_\_\_\_

24. In your estimation, what (if any) goods or services are/were desired but unavailable using your community's local currency?

Please write your response in the space below

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#### Individual information

The final component of this survey asks for some information about yourself and your background.

1. In what year were you born? \_\_\_\_\_

2. Are you male or female?

☐ Male

☐ Female

I'd like to ask you for some retrospective information. The following questions all refer to the time when you began your work as an organizer of your community's local currency. Please complete them to the best of your recollection.

3. At the time you began work as an organizer of your community's local currency, what was the highest level of education you had completed?

☐ Did not complete high school

☐ High school or equivalent degree

- ☐ Associate or junior college degree
  - ☐ Bachelor's degree
  - ☐ Master's degree
  - ☐ Doctoral degree
  - ☐ Professional degree
4. At that time, how would you characterize your general political views, from very liberal to very conservative?
- ☐ Very liberal
  - ☐ Liberal
  - ☐ Somewhat liberal
  - ☐ Middle-of-the-road
  - ☐ Somewhat conservative
  - ☐ Conservative
  - ☐ Very conservative
5. At that time, what political party, if any, did you most identify with?
- ☐ Democrat
  - ☐ Republican
  - ☐ Green
  - ☐ Libertarian
  - ☐ Independent
  - ☐ Other (please specify) \_\_\_\_\_
6. At that time, how would you characterize your political views of the economy, from very liberal to very conservative?
- ☐ Very liberal

- ☐ Liberal
  - ☐ Somewhat liberal
  - ☐ Middle-of-the-road
  - ☐ Somewhat conservative
  - ☐ Conservative
  - ☐ Extremely conservative
7. At that time, how would you characterize your political views of social issues, from very liberal to very conservative?
- ☐ Very liberal
  - ☐ Liberal
  - ☐ Somewhat liberal
  - ☐ Middle-of-the-road
  - ☐ Somewhat conservative
  - ☐ Conservative
  - ☐ Extremely conservative
8. At that time, what was the approximate total yearly income of all the family members (including yourself) in your household? Please include salaries, wages, pensions, dividends, interest, and all other income, rounded to the nearest five thousand dollars. \_\_\_\_\_
9. At that time, what was your approximate individual yearly income? Please round to the nearest five thousand dollars. \_\_\_\_\_
10. At        that        time,        what        was        your        occupation?  
\_\_\_\_\_
11. At that time, would you have considered yourself to be self-employed?
- ☐ Yes

☐ No

12. At that time, about how long had you lived in your community? months:  
\_\_\_\_\_ years : \_\_\_\_\_

13. I would now like to know about some of your experiences of being involved in your community. Please read the following list of political, civic, activist, and business activities. In column **1**, please check all of those that you had **ever** done or participated in **before you began your work as a local currency organizer**. Then, in column **2**, please check all those that you did or participated in **within two years before you began to work as a local currency organizer**.

	<b>1: Ever did before organizing local currency</b>	<b>2: Did within two years be- fore organiz- ing</b>
Attended a meeting of a local board (planning, school board, zoning, recreation, sanitation, etc.)	<input type="checkbox"/>	<input type="checkbox"/>
Volunteered to serve on a local board (planning, school board, zoning, recreation, sanitation, etc.)	<input type="checkbox"/>	<input type="checkbox"/>
Registered to vote	<input type="checkbox"/>	<input type="checkbox"/>
Volunteered for a local, state, or national political party	<input type="checkbox"/>	<input type="checkbox"/>
Voted in a primary election	<input type="checkbox"/>	<input type="checkbox"/>

(Continued from previous page)	<b>1:</b> Ever did before organizing local currency	<b>2:</b> Did within two years be- fore organiz- ing
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Voted in a final election	<input type="checkbox"/>	<input type="checkbox"/>
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Given money to a local, state, or national political party	<input type="checkbox"/>	<input type="checkbox"/>
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Ran for local, state, or national election, or held an elected office	<input type="checkbox"/>	<input type="checkbox"/>
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Worked as an employee on a political campaign	<input type="checkbox"/>	<input type="checkbox"/>
--	--------------------------	--------------------------

Supervised volunteers on a political campaign	<input type="checkbox"/>	<input type="checkbox"/>
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Participated in a protest	<input type="checkbox"/>	<input type="checkbox"/>
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Belonged to a social movement or activist organization	<input type="checkbox"/>	<input type="checkbox"/>
---	--------------------------	--------------------------

Organized a protest	<input type="checkbox"/>	<input type="checkbox"/>
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Directed or organized a social movement organization	<input type="checkbox"/>	<input type="checkbox"/>
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(Continued from previous page)	1: Ever did before organizing local currency	2: Did within two years be- fore organiz- ing
Recruited new activists to a cause	<input type="checkbox"/>	<input type="checkbox"/>
Belonged to a community organization (such as a club, association, church, or charity)	<input type="checkbox"/>	<input type="checkbox"/>
Was an officer (president, vice president, treasurer, etc.) or other formal organizer of a community organization (such as a club, association, church group, or charity)	<input type="checkbox"/>	<input type="checkbox"/>
Ran or managed a business	<input type="checkbox"/>	<input type="checkbox"/>
Founded a business	<input type="checkbox"/>	<input type="checkbox"/>
Supervised employees	<input type="checkbox"/>	<input type="checkbox"/>
Attended meetings of a community organization	<input type="checkbox"/>	<input type="checkbox"/>
Gave money to a social movement or activist organization	<input type="checkbox"/>	<input type="checkbox"/>



(Continued from previous page)	<b>1:</b> Ever did before organizing local currency	<b>2:</b> Did within two years be- fore organiz- ing
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Gave money to a community organization (such as a club, association, church, or charity)	<input type="checkbox"/>	<input type="checkbox"/>
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Thank you

Thank you for your participation in this survey. I greatly appreciate your willingness to take the time to respond. I would be happy to share the findings of this research; if you are interested in the results and would like to receive follow-up information, please indicate so here.

I would like to receive results from this study.

☐ Yes

☐ No

Later in this project, I may be interested in talking with you further about your experience with local currency. If you would be willing to speak to me in more detail, please indicate so here.

I am interested in talking in more detail about local currency.

☐ Yes

☐ No

I would be happy to hear any additional comments about your local currency experience. If you would like to share any additional information, please do so here, or contact me the via phone or email address provided at the survey's conclusion.

Please write your response in the space below

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This concludes the survey. Again, I wish to extend to you my very sincere thanks for your taking part in the project. If you indicated that you would like follow-up information, I will send that material as it becomes available. To return the survey, simply mail it back to me in the postage-paid envelope included with this mailing.

#### Contact Information

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